

# *City of Ashtabula, Ohio*



**Comprehensive Annual Financial Report  
For The Year Ended December 31, 2009**





Mary Taylor, CPA  
Auditor of State

Members of City Council  
City of Ashtabula  
4717 Main Avenue  
Ashtabula, Ohio 44004

We have reviewed the *Independent Auditors' Report* of the City of Ashtabula, Ashtabula County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Ashtabula is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

September 7, 2010

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# CITY OF ASHTABULA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2009

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### ISSUED BY AUDITOR'S OFFICE

Michael A. Zullo, CPA  
City Auditor

Karen S. Jury  
City Deputy Auditor

### TREASURER'S OFFICE

Lori Mackey  
City Treasurer

CITY OF ASHTABULA  
OFFICE OF CITY MANAGER

MUNICIPAL BUILDING  
4717 MAIN AVENUE  
ASHTABULA, OHIO 44004

ANTHONY J. CANTAGALLO  
CITY MANAGER



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June 22, 2010

Citizens of Ashtabula:

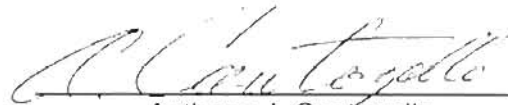
During 2009 the City of Ashtabula faced one of the most challenging financial dilemmas it has encountered in years. This immense challenge did not overcome City Administration's pursuit to carry on.

The City was able to keep services in tact and obtain several grants to help the City with clean up and infrastructure needs. A Clean Ohio Assistance Grant in the amount of \$261,695 was awarded and will continue with the effort to remediate identified Brownfield sites located within the City of Ashtabula. Further grant awards include the FY 2009 Community Housing and Improvement Program (CHIP) in the amount of \$522,000; FY 2009 Formula Grant in the amount of \$132,000 that will provide funding to continue the East 6<sup>th</sup> Street Sidewalk Project; and the Ohio Public Works Commission, Round 24 Funding in the amount of \$320,500 to finance work for the West 30<sup>th</sup> Street Sanitary Improvement Project.

Repairs to the Harbor Bascule Lift Bridge and the Goodwill Drive Roadway Improvement (Harbor Streetscape) project were completed in 2009 funded through Ohio Department Ohio Transportation (ODOT). The completion of these two significant and necessary projects has proven to be a great compliment to the Historical Harbor District. Other projects completed in the City included the annual Street Resurfacing Project whereby ten city streets were resurfaced for a total expenditure of \$393,571, and the West Avenue Road Rehabilitation and Traffic Signalization Project that included a new traffic light plus resurfacing of West Avenue from West 38<sup>th</sup> Street to Lake Avenue for an expenditure of \$492,396.

Equipment purchases for the services departments totaled \$168,123, this included police radios, police computer equipment, one new Ford Explorer for the Fire Department, and a used Chevy Blazer for the Police Department.

Overall the City was afforded the opportunity to continue with much needed projects and equipment purchases by working as a team to utilize all resources available.

  
Anthony J. Cantagallo

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# INTRODUCTORY SECTION

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**City of Ashtabula, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2009*  
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CITY OF ASHTABULA  
OFFICE OF THE CITY AUDITOR

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June 30, 2010

Citizens of Ashtabula  
City Manager, Anthony Cantegallo  
and Members of City Council  
City of Ashtabula, Ohio

I am pleased to present the City of Ashtabula's (the City) Comprehensive Annual Financial Report (CAFR) for the calendar year ended December 31, 2009. This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within one hundred and fifty days of fiscal year end.

In preparing this report, the City Auditor, Deputy City Auditor, and the City Treasurer stress the ongoing commitment of the City of Ashtabula to follow nationally recognized standards of excellence in financial reporting, a commitment shared by a growing number of governmental entities in Ohio. Management assumes full responsibility for the information contained in this report based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. Ciuni & Panichi, Inc. has issued an **unqualified** ("clean") opinion on the City of Ashtabula's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

## **Profile of the Government**

The City of Ashtabula is located on the south shore of Lake Erie, fifty-six miles east of Cleveland, Ohio. On April 6, 1891, the village of Ashtabula was incorporated into a city under the laws of the State of Ohio. According to the 2000 census, the City's population was 20,962. The Ashtabula County area population is now estimated at approximately 102,728.

The City's area is 7.6 square miles with other areas considering annexation into the City corporation limits. The City of Ashtabula is five hundred ninety feet above sea level.

Ashtabula was named by the Indians. The word was originally pronounced "Hash - Ta La," and its name, meaning "River of Many Fish," was first applied to what is now the Ashtabula River.

Those who decided to settle on the west bank of the Ashtabula River Gulf in the early 1800's faced the challenge of clearing forest land with crude tools, raising and storing food, and building shelters to protect themselves from the elements. Although the task was formidable, a small number of settlers responded to the challenge and helped the area become a borough, a village, and eventually, a city.

The City of Ashtabula has one of the finest harbors on the Great Lakes. In terms of tonnage shipped in and out, Ashtabula is one of the largest coal and iron ore ports on the Great Lakes. The facility uses a coal loader, which is the newest and best of its kind on the Lakes. The Port of Ashtabula generally receives more iron ore and rubber than any other lake port and ships out tremendous quantities of coal. The entire harbor is dredged and canalized to the highest Great Lakes' standards, enabling the docks to serve vessels of any size.

The Port of Ashtabula has also become a fisherman's paradise. The walleye-fishing boom out of Ashtabula has exceeded all expectations. In addition to private boating, the area's charter boat fleet has increased from four boats in 1984 to well over one hundred sport fishing charters running out of the Port of Ashtabula in 2009. The walleye fishing in the Ashtabula area was probably the best we have seen since the late 1980's. Great 2005 walleye hatches along with lower commercial catch quotas from the Canadian's are the most attributable reasons the walleye fishing has come back stronger than ever. The Port of Ashtabula is one of the area's most valuable assets. The Ashtabula Harbor area was host to the first Walleye and Wine Festival in August of 2009. There was a fishing tournament which had over 100 boats participating, a wine tasting event, and foods of many varieties including perch and walleye being deep fried right outdoors. The crowds were huge and many people enjoyed the festive event.

The chief industries of the City and surrounding territory are manufacturing, agriculture, dairying, coal, iron ore, rubber and transportation, including shipping. Industries such as Molded Fiberglass today produce compression molded parts, with 500 employees at two Ashtabula plants. The "sandwich" of plastic, resin, glass, resin and plastic is about 30 times stronger than normal plastic. MFG Body Co. was the original molder of the Corvette (in 1953), but today automotive is only one part of its business. Another big industry in Ashtabula is the paint pigment business of Plasticolors. These pigments are used in the coloring of paints used not only in the interior and exterior of your home, but also in paints for automobiles.

Within its boundaries, the City of Ashtabula has twenty-one public and private elementary and secondary schools, including ten public elementary schools; two junior high schools, one of which is a parochial school; one public and one private high school. 4,212 students are enrolled in public schools and 251 in parochial and private schools.

The Ashtabula Campus of Kent State University is a three-building, one hundred twenty-acre facility, located on State Route 531 at the western border of the City. In most cases, pre-baccalaureate students are able to complete two full years of a four-year degree available in the four colleges of the University: Arts and Sciences, Business Administration, Education, and Fine and Professional Arts. The Nursing Program is the most noted of the four colleges' specialties.

The City maintains ten public parks; two are located on the lakefront and are popular bathing and amusement resorts during the summer season. Lake Shore Park offers a picnic pavilion, a swimming area, new boat launching ramps, and new beach facilities. Walnut Beach Bathhouse, a brick structure that houses spacious dressing rooms equipped with showers, is free to the public. Food and soft drinks are served at a modern lunch counter and are available during the summer. The extensive facilities with sandy beaches make this resort one of the most attractive swimming and recreation areas on Lake Erie.

City residents purchase water service from the Ohio American Water Company, located in the City. The daily average water pumpage is 6,525,000 gallons. The Firstenergy/Illuminating Company provides electricity. The newest electrical generating facility available to Firstenergy is the Perry Nuclear Power Plant, which is located approximately twenty-five miles from Ashtabula. Natural gas is supplied by the Dominion East Ohio Gas Company, which has over eight hundred miles of gas lines in the City. Windstream Western Reserve provides local telephone service, and Time Warner provides cable television services.

**City Government**

The City of Ashtabula is a home rule municipal corporation established under the laws of the State of Ohio and operated under its own charter. The current charter, which provides for a City Manager - City Council form of government, was adopted on January 1, 1916. A council of seven members, five ward and two at-large representatives, is elected to serve for four-year terms. The at-large candidate receiving the most votes becomes the council president, and the other at-large candidate becomes the vice president. The City Manager and the City Solicitor are elected by a vote of the people and also serve for four-year terms. The Council selects the City Auditor and City Treasurer. Good government is reflected in the City's low property tax rate of \$9.31 per \$1,000 of assessed valuation.

To provide necessary services to its citizens, the City of Ashtabula is divided into departments and financial management and control systems. Services provided include police and fire protection, garbage and rubbish disposal, street maintenance, construction and repair, cultural, parks and recreational facilities, a municipal court, and a staff to provide support (i.e., payroll processing and accounts payable) to the service providers. The operation and control of these activities are provided by the City Council through the budgetary process and by the City Manager through administrative and managerial requirements and procedures. All are responsible to the citizens of Ashtabula and are included as part of the reporting entity. All elected officials, with the exception of the City Manager, serve on a part-time basis.

**Employee Relations**

The City has one hundred and eighty three employees, including part time workers. Full time employees may join one of the bargaining units for their group as determined by the State Employee Relations Board (SERB). The three unions in the City are:

Name	Contract Expires	Membership
AFSCME Local #1197	April 30, 2012	62
Fraternal Order of Police, Lodge #26	April 30, 2012	32
International Association of Firefighters, Local #165	April 30, 2012	23

The remaining full time employees are either not authorized to join a bargaining unit or have elected not to do so. The City of Ashtabula and AFSCME Local #1197, Fraternal Order of Police, and the International Association of Firefighters have come to terms on three-year contracts. There is no current language in the three contracts discussing pay increases due to the current financial condition of the city. In the judgment of the City Management, the City's employee relations have been stable and are expected to remain so.

## **Economic Conditions and Outlook**

The City of Ashtabula is committed to the revitalization of existing resources and the search for new ways to improve the economic outlook of the community. Several enterprise zones have been established by the City of Ashtabula. City Council will execute agreements with certain businesses for the purpose of establishing, expanding, renovating or occupying facilities, hiring new employees and preserving jobs within the zone, in exchange for specified local tax incentives granted by the City. The City's first enterprise zone has grown very rapidly as every piece of property within this zone is occupied by a local small business. The City Port Authority's next enterprise zone is fifty acres of land at the end of State Route 11, within the City boundaries. At the end of 2009, the development of the business park has been completed and one business has purchased a lot to consolidate and expand their current operations. There are currently a couple of other businesses in discussions with the City administration to locate their business in the park but it with the current economic times and few businesses starting, expanding or relocating their operations, the development of this business park will take some time. Given some time, the City is still optimistic about future growth of businesses and employment in this business park.

Using federal funds, the City of Ashtabula has established a revolving loan program. The program provides direct, low-interest construction loans to small businesses and industries to encourage their success and future growth and to create and retain permanent jobs for low and moderate income City residents. The City Department of Housing and Community Development and a five-member Loan Review Committee serve as an independent administrative board and are responsible for administering the revolving loan fund. Since the program's inception, twenty-four viable inquiries have been made, thirteen full applications have been received and eight applicants were approved for funding. The revolving loan program is currently rebuilding its cash reserve but City Council has passed legislation to allow the Harbor merchants organization to use \$20,000 of these funds to hire an outside group to formalize a revitalization plan for the historic harbor area.

Time Warner is the cable television provider in our area. Time Warner has committed to continuing the improvements in the service area by installing state-of-the-art equipment and expanding the options provided to its customers. Time Warner will continue to broadcast City Council meetings live on the local government access channel, bringing the workings of City government to all citizens. Among the programs Time Warner makes available to citizens are Pay-Per-View Sports Events. New choices including digital service make available Sports and Comedy channels, Court TV and many other new premium channels including a Spanish-speaking channel. Time Warner is also offering Roadrunner high speed internet to our residents. The internet service provided is an alternative to dial-up service or local DSL services.

The Walnut Beach area comprises approximately twenty-two acres with one thousand feet of Lake Erie frontage. This area is important to the City as a prime site for recreation, accommodating over a thousand boats yearly from the Ashtabula River and adjacent marinas. A roped-off swimming area, with anchor docking, does make Walnut Beach attractive to the fast growing boating population. To enhance the area, a revitalization program to clean the beach area continues. Improvements to the existing bathhouse, the building of more pavilions, the construction of a public docking facility and additional lighting continue to be implemented. Private donations continue to be received to help accelerate the planned improvements. These improvements will result in extended boating and swimming hours and a longer season for tourists and the citizens of Ashtabula to enjoy Walnut Beach, a beautiful natural resource.

The Ashtabula River deep water dredging project was completed in late fall of 2008. During 2009 a river restoration project was started to enhance the fish habitat in hopes of establishing new spawning grounds for the Rainbow Trout and other species that utilize the Ashtabula River. The dredging has provided a twelve-foot deep river and did remove all remaining toxins in the river soils. Several government bodies and agencies contributed funds for this expensive project. The State of Ohio committed seven million dollars, the federal government committed twenty-two million and the Army Corp of Engineers has paid the remaining eleven million dollars for this project. With the growth of recreational boating on the river and on Lake Erie, the number of boats docked at marinas on the river has grown from 150, eight years ago, to over 1,000 today. Most marinas' dock

space is filled to capacity. The dredging of the Ashtabula River will result in more available dock space for this growing recreational activity. Another asset of the project is to once again allow the coal and iron freighters to load to capacity making the Port of Ashtabula more attractive to all vessels wanting to use our port.

A working relationship was established between the City's administration and the Downtown Merchants' Association. Through combined efforts of the Administration and the Association, a sign program was implemented. Signs were placed in visible spots around Ashtabula, directing visitors to the downtown area. New downtown stores have opened as a direct result of the City's and the Association's efforts.

The scope of responsibility of the City of Ashtabula's Port Authority was broadened. The Port Authority became active in surveying land Citywide for future industrial development, particularly for an additional industrial park. The Port Authority has put together the West 38<sup>th</sup> Street Enterprise Zone, filling every available site with new business attracted to the area. The newest City business park at the end of State Route 11 was available in the spring of 2008. The Port Authority is working on extending the current transient dock in the river to allow boaters from any other port to tie up their boats and enjoy Bridge Street's many fine shops and restaurants. The Port Authority was also instrumental in building one of the most modern coast guard stations ever built on the great lakes, as they borrowed money from the City's revolving loan fund and built the station for the coast guard who in turn signed a twenty-year lease with the Port Authority. The United States Coast Guard has begun construction on expanding our coast guard station to accommodate another crew. This additional staffing is a direct result of September 11, 2001 and the concern for the ports as well as Perry Nuclear Power Plant located 25 miles west of Ashtabula. Security has been dramatically increased at this plant with many hours of patrolling the lakefront.

With the help of programs through the Ohio Department of Development and the Ohio Department of Transportation, the County obtained State and Federal grants to continue the public transportation system, which is now administered by Ashtabula County. The County runs the day-to-day operations of the bus system out of a City owned and maintained building. The City contributes \$31,000 to the system, as well as inkind monies for repairs and maintenance of the bus garage building.

The City of Ashtabula continues to change for the better. By networking, team building, re-establishing working relationships and citizen friendships, implementing program planning and enhancing its natural resources, the City of Ashtabula has experienced the 2000's as a "Decade of Difference," while doing aggressive planning for the future.

### **Major Initiatives**

Construction and major renovations on many of Ashtabula's roads took place during 2009. The City of Ashtabula did commit over \$963,684 to street paving and infrastructure reconstruction projects. With regular side street paving costing \$469,800 the remainder was spent on various a major road reconstruction of West Avenue, the second most used road used in the City of Ashtabula. The City continued the process of building a new West Avenue Grade Separation overpass over the Norfolk Southern tracks. The City of Ashtabula was awarded a \$4,000,000 grant for construction of this overpass. Construction on the road base, utility movement, and side walls started May 1, 2009. The State of Ohio, which is in charge of the project has sent out notices that the road will now be closed for 500 days, or during the construction process. The City also paid \$40,840 for engineering for the rehabilitation of the existing West Avenue overpass which spans the main CSX railroad lines. This project had a projected cost of \$1,000,000 and is being funded by the State of Ohio, construction took place in 2009. Phase II of this rehabilitation is being engineered in 2010 with construction to commence in 2011.

During 2009 the City of Ashtabula completed construction a one million gallon Equalization Retention Basin. This Equalization Basin was designed to prevent any overflow of sanitary and storm water from overflowing into the Ashtabula River. The overflows and backup into household basements only occur during very heavy rain events. The Equalization Basin cost approximately 2.6 million dollars, (total cost are not completely figured



yet as final billings are still being calculated) plus interest expense. The City of Ashtabula is still hopeful that the County will participate in the project and pay for 20 percent or approximately \$600,000 towards the Equalization Basin as our engineers have determined through flow studies that 20 percent of the flow to the City's Wastewater treatment plant is from non city users.

The City did install the newest piece of equipment to automate our treatment plant called a centrifuge. This centrifuge takes the place of operators and old belt press machines for pressing the water out of our sludge. The City was running the presses at the wastewater treatment plant sixteen hours per day seven days per week. It takes two operators per shift to handle the process. The new centrifuge does handle all of the sludge in as little as six hours per day, five days per week. The system only requires one operator per day to handle this processing. The cost of the centrifuge carries a big price tag of \$325,000 but payback from reduced wages should take only 2 years when employee benefits are also factored in.

The City of Ashtabula focused on recreation, paving and sidewalk reconstruction in 2009. The City did contract with several different bands to play at Walnut beach during the summer of 2009 luring thousands of people to our City and great sandy beach. The concerts were a great hit and already plans are in the making for different bands with different music to be playing at Walnut beach during the summer of 2010, if funding is available. The City of Ashtabula offered a homeowner up to \$2.50 per square foot reimbursement for the replacement of any broken pieces of sidewalks. The reimbursement is equal to approximately sixty percent of the total cost. Several large park projects including a major study of the walnut beach area and the plants which must be removed were in process. Smith Field, which is the City's biggest and most used recreation complex, had the baseball playing field completely renovated. New bleachers, fencing and parking area have been added at Smith Field and improvements to the pond have also been completed over the past several years. The biggest improvement was the addition of lights on the walking track and improvements to the current lighting system for the baseball field. With the lights added, the track is now used consistently from 6am to 10pm daily. The lighting project did receive a fifty thousand dollar State grant. In the near future, we will see nighttime high school baseball games as well as evening and night softball games at Smith field. I believe that all members of the administration are very surprised at the amount of usage the walking track is experiencing, and we are excited about night time sports at the field.

With the use of Community Development Block Grant funds, the Division of Housing and Community Development continued its efforts to rehabilitate the existing housing inventory in the City of Ashtabula. Specific activities include the Comprehensive Neighborhood Revitalization Program in Ashtabula Harbor, the Section 17 Rental Rehabilitation Project and scattered site demolition, the Certificate of Occupancy Rental Inspection Program, the Minimum Housing Code Inspection Program and Fair Housing. These activities contribute to the health and safety of the community thru rehabilitation and code enforcement efforts. The programs offered and administered by the Division of Housing and Community Development demonstrate the City's commitment to safe, decent and sanitary housing within the community.

Two very important State grants were awarded and work begun during 2009. The first was a Brownfield Grant in the amount of \$400,000 which is to be used for studies on the extent of rehabilitation to the land it will take from several shut down factory sites. The studies will include toxicity amounts, if any, and total decommission of the buildings on site. The goal is to once again make these lands available for future industrial construction and or commercial real estate. The second grant is also very important. The grant is entitled Neighborhood Stabilization Program (NSP) and the City of Ashtabula was awarded \$642,000 for this project. The NSP grant was awarded as part of a long term project to tear down old non usable housing in the City of Ashtabula. Although there is no specific project focus point by ward or street, most of the first round of houses were concentrated in Ward 3. This specific area has older homes that are highly concentrated rentals. With some absentee landlords the houses are not taken care of in the same manner as homes that are owner occupied and kept of with normal repairs and maintenance. These homes will be torn down thereby leaving vacant lots that will be owned by the City who will either sell the lots for new construction or sell them to adjacent landowners to give them more land and green space around there homes.

The Fire Department answered 1,536 alarms in 2009 which was 17 percent reduction in assistance calls. Fire department employees received 4,310 hours of in-service training. Extensive training continues on the 2006 Sutphen 1,500-gallon Paramedic Engine fire truck. The fire department sent the 1991 Ladder truck back to Grumman Corporation, the manufacturer, where the truck was completely refurbished including the 102' aerial platform. The City did pay \$130,208 for the work but extended the life of the ladder truck by an additional 15 years. The 1991 ladder truck did cost \$750,000 new when purchased back in 1991 and the estimated cost to replace this vehicle with a new ladder truck would be in excess of \$1,000,000. Other equipment and building repairs for the fire department was purchased in 2008 with Permanent Improvement fund money. Several State grants were received by our fire department in response to the September 11<sup>th</sup> attacks. These grant monies were used to purchase miscellaneous gear and equipment for our firefighters and to provide hundreds of hours of training.

The Public Works Department kept busy in 2009 patching streets with cold mix, cleaning and maintaining sanitary and storm sewers, picking up leaves in the fall and plowing and controlling ice in the winter. The City of Ashtabula did purchase several pieces of new equipment such as a new hot asphalt patching machine to repair potholes in our streets with a hot mixture that better adheres to the existing roads and thereby making pothole fixation a more permanent patch. The City also purchased a used loader to work between Public Works and Sanitation to perform numerous tasks.

The City of Ashtabula's Sanitation Department services approximately 7,000 households and 160 commercial accounts per week. In a move toward self-sufficiency, City Council passed legislation charging our residents \$15.00 per month for trash collection. Pick-up is mandatory for all residents, and businesses have the option of City pick-up or private hauler. The City contracted with Waste Management for landfill cost pertaining to the rubbish collected by our trucks and the rubbish collected at our transfer station. The General Fund no longer subsidizes the sanitation department. Council increased the monthly rates and the Sanitation Department is well on its way to becoming self sufficient but the equipment is still purchased with City Income Tax monies from the City's Permanent Improvement Fund monies. With a grant from the Ashtabula County Solid Waste District, the City constructed a state-of-the-art-recycling center. This center will handle all types of recyclables. The goal for the recycling center is not to sell the recycled goods for a profit but rather reduce the tonnage that is hauled to the landfill, and reduce the amount of Waste Management landfill fees paid during the year. The City of Ashtabula took in, in excess of 542,000 pounds of recyclable materials and approximately 4200 tires during 2009. The City sold the recyclable materials for \$3,287 and avoided paying approximately \$30,000 in landfill tipping fees.

The Auditor's and Treasurer's Offices completed their twenty second Comprehensive Annual Financial Report (CAFR) during May of 2009. The CAFR that was completed in 2009 for year ended December 31, 2008, was the City's tenth report using the GASB statement No. 34 reporting model. The process of converting to that reporting model was interesting, frustrating and tedious during different phases of the process. By far the biggest challenge was the capital assets portion and how to start the infrastructure valuation process. Special thanks to the City Engineer's Office who spent many hours helping us construct this data, and Traci Vanek-Simons of the Auditor's Office who not only spent many hours working on the capital assets, but also designed an Access database to list and depreciate these assets, since no commercial software was available yet which was GASB 34 compliant. Since the initial report was completed, we have tried to continually update the capital asset information to give the most detail possible. The financial report took all members of the Auditor's and Treasurer's Office hundreds of hours to complete.

An agreement between the Ashtabula County Commissioners and the Auditor's Office to do the billing and collecting of the County's sewer charges remains in effect. This billing, along with the City's service billing, takes two members of the Auditor's office to maintain this program effectively and efficiently.

The Income Tax Department's use of an on-line computer system improved compliance with federal and local tax regulations and made collection of current and delinquent taxes more efficient. New tax forms made collection of taxes more accurate, and filing requirements have changed to include submission of various federal

forms. Enforcement of late filing penalties and interest has increased timely filings. The City hired the law firm and collection agent Weiner & Associates to pursue collection of delinquent taxes. The program showed very good results as collection of delinquent accounts increased significantly.

The Police Department played a major role in instituting the new reverse 911 emergency response program. This enhanced reverse 911 system gives Ashtabula County EMA Services the ability to contact many homes at one time to give warning of any local, regional, statewide or national emergency. The Ashtabula Police Department also worked with George Distel, our State Representative, to help initiate grant monies to put laptop computers in our patrol cars. Each officer will have the ability to look up license plate registrations and other vehicle information directly without going through our dispatch center. During 2009, several more laptops were purchased with the goal of having one laptop per cruiser so the swapping between cruisers will not be needed in the future. The City also upgraded the radio system including new a new base unit. The new radio system works under the new MARX system which allows our City Police to talk directly to the sheriff's department as well as all other county wide police agencies using this MARX system. The City did purchase two 2009 Dodge Charger cruisers in September of 2009 and one new 2009 Ford Explorer 4x4.

The caseload for the Municipal Court totaled 9,325 in 2009, representing a 1,442 case decrease from 2008. A majority of the decreases are in the traffic citation part of the Court. The City police have been aggressively addressing the speeding and other traffic violations through traffic citations but unfortunately in 2009 less patrolmen just means less hours available to run traffic. The slight reduction in criminal cases again this year is hopefully a reflection of the stepped up law enforcement efforts made by all City officials. Crime and drug related offenses in our City have been top priority with the administration once again during 2009. The City administration has explored many ways to increase revenues and therefore increase funding to our police department. The increased funding allows more officers on the streets, all the time. The municipal court has spent many hours on the new security rules in effect for courts. The City is committed to making this area and the individuals working in the courts very secure.

### **Accounting Systems and Budgetary Control**

Development of the City's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary control is maintained by an encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when an insufficient unencumbered appropriation balance is available.

The City Auditor reviews the purchase order first to check for availability of funds. Then the City Manager, who is also the Purchasing Agent by City Charter, approves and issues the purchase order. Copies of all approved purchase orders are returned to the department head pending receipt of the goods and invoice. Once the goods or services and the invoice are received, the department head signs his/her copy of the purchase order as verification that all goods or services were received and are in acceptable condition.

Each department head is furnished a monthly report showing the status of the budget accounts for which he/she is responsible. The reports detail monthly transactions and summarize the available balances.

**Financial Condition** This is the tenth year the City has prepared financial statements following GASB Statement 34, "Basic Financial Statements-and-Management's Discussion and Analysis-for State and Local Governments". GASB 34 requires basic financial statements for reporting on the City's financial activities as follows:

***Government-wide financial statements*** These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

***Fund financial statements*** These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds are the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

***Statements of budgetary comparisons*** These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the Independent Auditor's Report, providing an assessment of the City finances for 2009.

***Financial Highlights – Internal Service Fund*** There are two internal service funds carried on the City's financial records, the self-insurance internal service fund and the workers' compensation internal service fund. These funds have combined net assets \$476,245 as of December 31, 2009.

## **Independent Audit**

State statutes require the City to be subjected to an annual examination by an independent auditor. The accounting firm of Ciuni & Panichi, Inc. was contracted to render an opinion on the City's financial statements as of December 31, 2009. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Single Audit Amendments of 1996, as well subsequent standards such as GASB 33, 34, 36, 45, 48 and 50. The Report of Independent Accountants on the basic financial statements is included in the financial section of this report.

## **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ashtabula, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. This was the City of Ashtabula's twenty-second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Acknowledgments**

A special thanks is extended to the members of City Council and to the Administration whose continued support is necessary for the City of Ashtabula to conform to reporting requirements established for municipal governments.

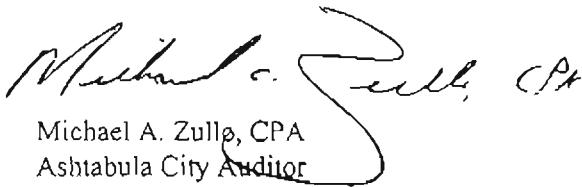
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#### Acknowledgments

A special thanks is extended to the members of City Council and to the Administration whose continued support is necessary for the City of Ashtabula to conform to reporting requirements established for municipal governments.

Sincere thanks also goes to the Local Government Services of Auditor of State Mary Taylor's Office for their assistance in the organization and final review of our 2009 Comprehensive Annual Financial Report.

Respectfully submitted,



Michael A. Zullp, CPA  
Ashtabula City Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ashtabula  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink, appearing to be "Jeffrey R. Emer".

Executive Director

**City of Ashtabula**  
*List of Principal Officials*

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***City Council***

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Charles Brockway ..... President  
Betty S. Kist ..... Vice President

Joseph L. Rose ..... Ward I  
August Pugliese ..... Ward II  
Ann Stranman ..... Ward III  
Julie A. Lattimer ..... Ward IV  
James M. Trisket ..... Ward V

LaVette E. Hennigan ..... Clerk of Council

***City Officials***

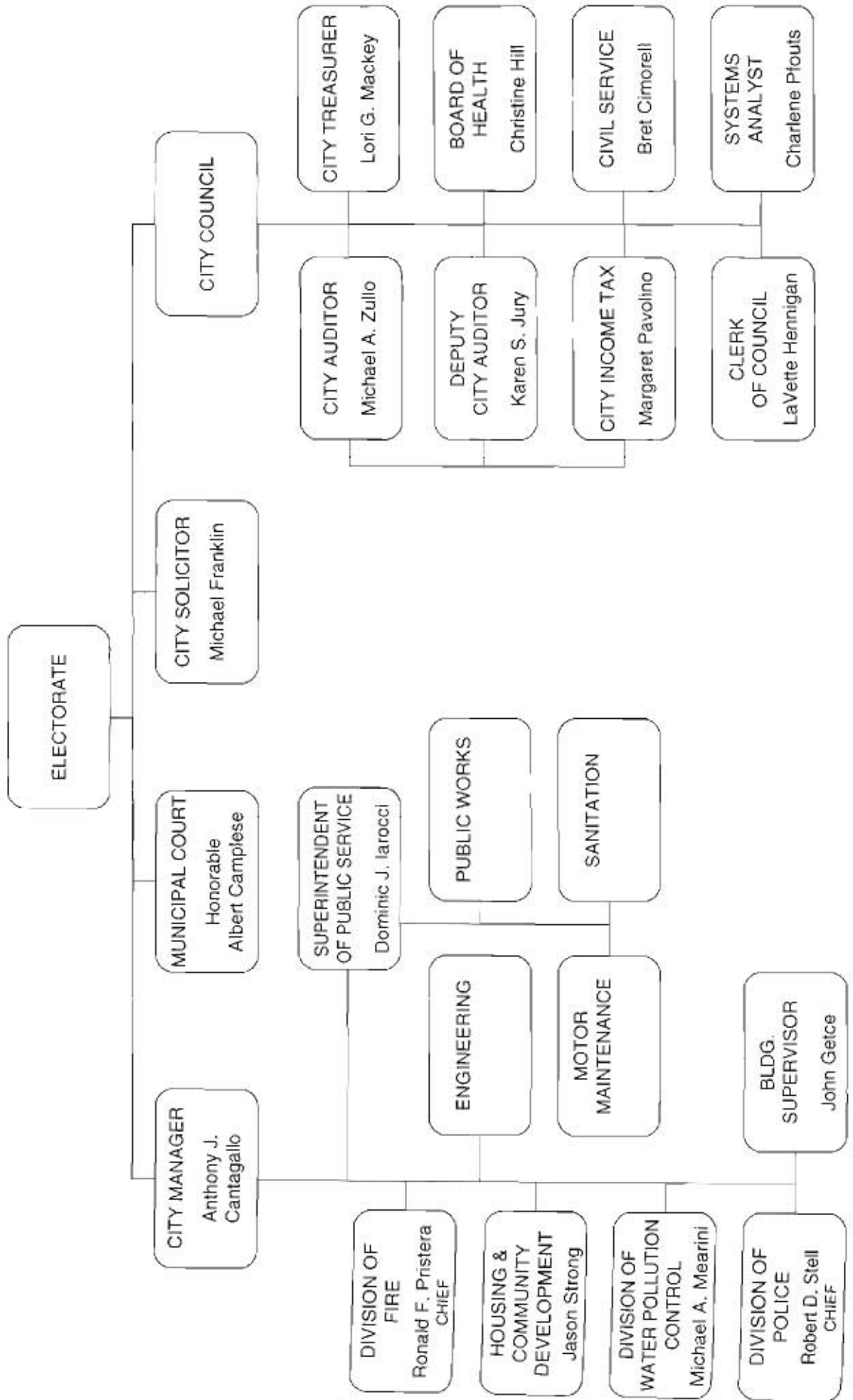
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Albert S. Camplese ..... Municipal Court Judge  
Anthony J. Cantagallo ..... City Manager  
Michael Franklin ..... City Solicitor  
Dominic J. Iarocci ..... Superintendent of Public Works and Sanitation  
Karen S. Jury ..... Deputy City Auditor  
Lori G. Mackey ..... City Treasurer  
Michael A. Mearini ..... Superintendent of Wastewater Treatment Plant  
Margaret Pavolino ..... Income Tax Administrator  
Charlene Pfouts ..... Systems Analyst  
Ronald F. Pristera ..... Chief of Fire  
Robert D. Stell ..... Chief of Police  
Jason M. Strong ..... Director of Housing and Community Development  
Michael A. Zullo ..... City Auditor



**CITY OF ASHTABULA, OHIO  
ORGANIZATIONAL CHART**

DECEMBER 31, 2009



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# FINANCIAL SECTION

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## Independent Auditors' Report

Members of the City Council  
Ashtabula, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashtabula, Ohio (the "City") as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Community Development Block Grant, Sanitation, and Street Maintenance and Repair Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2009, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*; Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*; Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*; and Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

Member of the City Council  
Ashtabula, Ohio

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Cimini & Panichi, Inc.*

Cleveland, Ohio  
June 30, 2010

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2009*  
*Unaudited*

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The discussion and analysis of The City of Ashtabula's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the City's financial performance.

### **Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Ashtabula as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

### ***Reporting the City of Ashtabula as a Whole***

#### *Statement of Net Assets and the Statement of Activities*

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "How did we do financially during 2009?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. The accrual basis of accounting does take into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and the changes in those assets. This change in assets is important because it tells the reader whether the City as a whole and its financial position has improved or diminished. However, in evaluating the overall position of the City, non financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, the City is divided into three kinds of activities:

- ◆ Governmental Activities - Most of the City's services are reported here including police, fire, administration, and all departments with the exception of our Wastewater Treatment Plant.
- ◆ Business-Type Activities - These services have a charge based upon the amount of usage. The City charges fees to recoup the cost of the entire operations of our Wastewater Treatment Plant as well as all capital expenses associated with the facility.
- ◆ Component Unit - The City includes the Ashtabula Port Authority in its report. Although legally separate, this component unit is important because it is fiscally dependent on the City.

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2009*  
*Unaudited*

**Reporting the City of Ashtabula's Most Significant Funds**

*Fund Financial Statements*

The analysis of the City's major funds begins on page 8. Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Ashtabula, our major funds are the General, Community Development Block Grant, Sanitation, Street Maintenance and Repair, Debt Service, and Permanent Improvement.

**Governmental Funds** Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Proprietary Funds** When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the City's other funds and departments.

**The City of Ashtabula as a Whole**

Recall that the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2009 compared to 2008.

(Table 1)  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Assets</b>						
Current and Other Assets	\$11,811,466	\$11,288,197	\$2,196,495	\$2,720,773	14,007,961	\$14,008,970
Capital Assets	19,757,703	19,459,907	13,958,888	14,108,029	33,716,591	33,567,936
<i>Total Assets</i>	<u>\$31,569,169</u>	<u>30,748,104</u>	<u>\$16,155,383</u>	<u>16,828,802</u>	<u>47,724,552</u>	<u>47,576,906</u>
<b>Liabilities</b>						
Current and Other Liabilities	(2,676,183)	(2,993,478)	(141,837)	(213,564)	(2,818,020)	(3,207,042)
Long-Term Liabilities						
Due Within One Year	(1,629,958)	(1,639,628)	(561,388)	(498,801)	(2,191,346)	(2,138,429)
Due in More Than One Year	(2,206,056)	(2,032,928)	(3,411,196)	(3,629,476)	(5,617,252)	(5,662,404)
<i>Total Liabilities</i>	<u>(6,512,197)</u>	<u>(\$6,666,034)</u>	<u>(4,114,421)</u>	<u>(\$4,341,841)</u>	<u>(\$10,626,618)</u>	<u>(\$11,007,875)</u>

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2009*  
*Unaudited*

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Net Assets</b>						
Invest in Capital						
Assets, Net of Debt	\$19,304,462	\$19,022,629	\$10,339,668	\$10,343,268	\$29,644,130	\$29,365,897
Restricted:						
Capital Projects	616,317	917,675	0	0	616,317	917,675
Debt Service	212,116	141,267	0	0	212,116	141,267
Other Purposes	4,082,302	2,688,169	0	0	4,082,302	2,688,169
Unrestricted	841,775	1,312,330	1,701,294	2,143,693	2,543,069	3,456,023
<i>Total Net Assets</i>	<u>\$25,056,972</u>	<u>\$24,082,070</u>	<u>\$12,040,962</u>	<u>\$12,486,961</u>	<u>\$37,097,934</u>	<u>\$36,569,031</u>

The net assets of the City's governmental type activities increased by \$974,902. Current assets increased significantly as grants receivables from a Brownfield Grant, Police Enhancement Grant, and several other small grants which were awarded to the City have not been used as of yet. Some Current Asset line items decreased such as cash as substantial unemployment was widespread locally affecting most local employers. City Council has continued a hiring freeze on the City Administration as the projected lower income tax revenues became a reality. The City's capital assets in the Governmental Activities increased slightly during 2009, which reflects major street improvements, the purchase of a new radio system for the police department that cost \$151,525, three additional police cars, and a new generator for the fire department. Current liabilities increased slightly. Long-term liabilities increased in 2009 as the City did add some additional debt.

The net assets of the City's business type activities decreased slightly in 2009. Current assets decreased as cash decreased. Loan proceeds from small OPWC interest free loans helped to construct several small sewer improvement projects. Capital assets decreased by \$149,141 net of depreciation despite the City once again aggressively spending money on upgrading our wastewater treatment plant sewer lines less accumulated depreciation on these assets. In addition to those projects the City booked the completed Equalization Basin Project. With usage rates generating revenue which reasonably matches operating expenses and most capital expenditures annually, the financial condition of the business type activity is relatively constant. The City's wastewater treatment facility is our only business type activity. Continual upgrades to the plant and the sewer lines carrying the flow to the plant have been our top priority for at least the last fifteen years. Continued growth not only in our City but also within most of our county is dependant upon the additional capacity the City is able to offer for sewer expansion. Our wastewater treatment plant itself has plenty of capacity as we treat approximately five million gallons of sewage a day with a plant capacity of approximately 18 million gallons per day. Our biggest problem is line capacity, which is very old and undersized. This is where we have been expending the majority of our capital dollars. We are either expanding line size or trying to reduce the amount of storm water that enters our sanitary lines through illegal connections of home gutters or actual breaks in our lines that allow ground water to enter our sanitary system. During 2009, the City did not increase our user fees due to the economy and our ability to maintain the plant at the current rate structure. The City is reviewing the fee structure currently to determine a small increase in the wastewater fee. These additional fees will be earmarked for operating dollars or for matching grant monies such as Issue II funds. The City has used 21 out of the 23 Issue II rounds strictly for updating our plant and lines coming into our Wastewater Treatment Facility. The City of Ashtabula in the middle of a permitting process with the Ohio EPA which will allow the City's Wastewater Treatment Plant to start taking salt brine from Pennsylvania deep natural gas wells. This brine has been determined to be non toxic but needs to be diluted and disposed of properly. The City believes by mixing this brine water with our current five million gallons per day of regular discharge that the dilution rate will be within the Ohio EPA guidelines. This brine could be become a huge money maker for the City of Ashtabula as well as other



**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
For the Year Ended December 31, 2009  
Unaudited

leachates from the surrounding area. With approximately 6 million gallons of excess capacity on a daily non rain event day, the City of Ashtabula is well positioned to accept hundreds of thousands of gallons of this type of material per day.

The Statement of Changes in Net Assets, Table 2, reviews the Revenue, Expenses, and Transfers on a comparative analysis between 2009 and 2008. This Statement reflects our Governmental and Business-Type Funds bottom line.

(Table 2)  
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$3,446,866	\$3,363,203	\$3,601,213	\$3,871,973	\$7,048,079	\$7,235,176
Operating Grants, Contributions and Interest	1,080,197	565,534	0	0	1,080,197	565,534
Capital Grants and Contributions	678,449	627,184	231,298	950,371	909,747	1,577,555
General Revenues						
Property Taxes	2,211,810	2,106,589	0	0	2,211,810	2,106,589
Income Taxes	6,130,954	6,773,363	0	0	6,130,954	6,773,363
Grants and Entitlements	3,135,994	2,217,714	0	0	3,135,994	2,217,714
Investment Earnings	11,572	152,306	0	0	11,572	152,306
Other	250,783	404,117	28,196	0	278,979	404,117
<i>Total Revenues</i>	<u>16,946,625</u>	<u>16,210,010</u>	<u>3,860,707</u>	<u>4,822,344</u>	<u>20,807,332</u>	<u>21,032,354</u>
<b>Program Expenses</b>						
General Government						
Legislative and Executive	3,227,472	3,586,747	0	0	3,227,472	3,586,747
Judicial System	1,183,400	1,151,790	0	0	1,183,400	1,151,790
Security of Persons and Property						
Police	3,686,839	3,887,527	0	0	3,686,839	3,887,527
Fire	3,021,851	3,047,444	0	0	3,021,851	3,047,444
Public Health Services	365,246	370,326	0	0	365,246	370,326
Street Maintenance and Repairs	1,922,571	2,231,818	0	0	1,922,571	2,231,818
Housing and Community Development	601,846	983,231	0	0	601,846	983,231
Sanitation Services	1,928,179	2,004,214	0	0	1,928,179	2,004,214
Leisure Time Activities	79,793	106,271	0	0	79,793	106,271
Interest and Fiscal Charges	31,026	39,292	0	0	31,026	39,292
Wastewater Treatment	0	0	4,230,206	4,596,123	4,230,206	4,596,123
<i>Total Expenses</i>	<u>16,048,223</u>	<u>17,408,660</u>	<u>4,230,206</u>	<u>4,596,123</u>	<u>20,278,429</u>	<u>22,004,783</u>
<i>Excess before Transfers</i>	898,402	(1,198,650)	(369,499)	226,221	528,903	(972,429)
<i>Transfers</i>	<u>76,500</u>	<u>162,820</u>	<u>(76,500)</u>	<u>(162,820)</u>	<u>0</u>	<u>0</u>
<i>Increase (Decrease) in Net Assets</i>	974,902	(1,035,830)	(445,999)	63,401	528,903	(972,429)
<i>Net Assets Beginning of Year</i>	<u>24,082,070</u>	<u>25,117,900</u>	<u>12,486,961</u>	<u>12,423,560</u>	<u>36,569,031</u>	<u>37,541,460</u>
<i>Net Assets End of Year</i>	<u>\$25,056,972</u>	<u>\$24,082,070</u>	<u>\$12,040,962</u>	<u>\$12,486,961</u>	<u>\$37,097,934</u>	<u>\$36,569,031</u>

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2009*  
*Unaudited*

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***Governmental Activities***

Several revenue sources fund our Governmental Activities with the City income tax being the biggest contributor. The income tax rate of 1.8 percent was renewed by a vote of our citizens in May of 2007 and renewed once again in May of 2010. The renewal will be in effect thru December 31, 2013. The income tax revenue for 2009 exceeded \$6.1 million including the 90 percent of collections which are allocated to the City's General Fund and the other 10 percent which goes to the Permanent Improvement Fund. The City Income Tax funds approximately 39 percent of all expenses in the Governmental Activities.

The City has seen the income tax collections decrease by \$642,409 or approximately 9.5 percent in 2009. The City's major employers started reducing staffing levels during 2009 as less orders were coming in and the national recession peaked. The laid off employees of these companies are required to pay Federal and State income tax on the unemployment benefits but no local taxes are collected on these benefits. According to our County Commissioners, the unemployment numbers are nearing the 14 percent level which is higher than the national, state and other local employment levels at the end of 2009. The City of Ashtabula municipal court has also stepped up the collection of uncollected fines by issuing warrants for nonpayment. General revenues from grants and entitlements, such as local government funds, are also a large revenue generator. Local government funding from the State generates approximately \$1,295,000 per year. The capital grants were less in 2009 due to a turn over in personnel in the Housing Community Development Department which applies for and administers these grants and less grants available with low matching funds needed to qualify.

***Business-Type Activities***

The City's only business-type activity is our Wastewater Treatment Facility, which receives no support from tax revenues. This plant treats sewage from the City of Ashtabula and surrounding townships. This facility generated charges for service revenues of \$3,601,213 and had expenses of \$4,230,206 during 2009. These combined numbers are skewed with the expenses including the remainder of the Equalization Basin cost included in this number. When you add back into the revenue side the loan proceeds and Capital Grants, it brings the totals more in line. Our expenses are monitored to coincide with our revenues so that at the end of the year, we are looking at our cash balance, which the City has tried to maintain at one million dollars or approximately one third of the annual budget. Although expenditures exceeded revenues, there were enough cash reserves to compensate for this projected balance. The operating revenues combined with capital grants brought the total 2009 revenues to \$3,860,707. Although expenses exceeded revenues during 2009, the City continues looking at ways to improve cash flow by reducing our cost of operation. Nonpayment of sewer bills is certified to the county auditor for certification on the property tax bills. Seeing that the City does not own the water company, discontinuation of service is not optional and the sewer service is continued. During 2009, the City once again worked hard on expanding line capacity to surrounding townships. To the west, Saybrook Township has boomed with housing developments in many parts of the township, especially along the lakeshore area. On the east side of the City commercial growth in Ashtabula Township is booming despite the economy with a new strip mall opening as well as several other businesses. The City also has several new projects, which will require additional sewer capacity on the City's west side. New larger lines are being installed in the City and Townships to handle the extra capacity. These lines, which will service the townships, will also service the City of Ashtabula's new Industrial Park at the end of State Route 11. The industrial park did have the groundbreaking recently and looks forward to having several large tenants that will have jobs available. The City has been able to keep sewer rates low because of increased revenues from additional flow from new construction of businesses and homes in our county.

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2009*  
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**The City's Funds**

Information about the City's major governmental funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$15,342,717 and expenditures of \$15,619,429. If you review the program expenditures it is clear that most departments spent less money in 2009 compared to 2008 as the income tax decreased and therefore the appropriations to these various departments also decreased.

The cash balance of the general fund decreased to \$106,938. Revenues exceeded expenditures by \$81,071, \$328,200 was cash transferred to other funds. These other funds used the cash from the transfers for street maintenance, the food service fund, and for Walnut Beach.

**General Fund Budgeting Highlights**

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the year of 2009, the City amended its general fund budget several times, none significant. All recommendations for a budget change come from the City Auditor to the Finance and Ordinance committee of Council for review before going to the whole council for ordinance enactment on the change. The City does allow small intra-fund budget changes that modify line items within departments within the same fund. With the general fund supporting many of our major activities such as our police and fire departments, as well as most legislative and executive activities, the general fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

For the general fund, original and final budgeted revenues were approximately \$10,000,000. Very conservative revenue projections at the beginning of the year played out as actual revenues were very close to projections.

The City of Ashtabula's ending unencumbered cash balance in the general fund at year end 2009 was \$90,157.

**Capital Assets and Debt Administration**

**Capital Assets**

Table 3  
 Capital Assets at December 31, 2009 & 2008

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Capital Assets, Non Depreciable</b>						
Land	\$2,001,668	\$2,001,668	\$57,763	\$57,763	\$2,059,431	\$2,059,431
Construction in Progress	2,782,190	2,368,805	537,528	3,136,335	3,319,718	5,505,140
Total Capital Assets, Non Depreciable	4,783,858	4,370,473	595,291	3,194,098	5,379,149	7,564,571

**City of Ashtabula, Ohio**  
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	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Capital Assets, Being Depreciated</b>						
Buildings and Improvements	\$11,048,942	\$11,023,337	\$6,658,650	\$6,638,425	\$17,707,592	\$17,661,762
Equipment	2,702,669	2,477,169	1,940,361	1,891,809	4,643,030	4,368,978
Vehicles	3,834,992	3,987,783	392,958	392,958	4,227,950	4,380,741
Furniture and Fixtures	5,200	5,200	0	0	5,200	5,200
Infrastructure						
Bridges	4,212,612	4,211,742	0	0	4,212,612	4,211,742
Roads	9,847,395	9,514,623	0	0	9,847,395	9,514,623
Storm Sewers	2,533,404	2,533,404	0	0	2,533,404	2,533,404
Traffic Lights	563,138	556,204	0	0	563,138	556,204
Sanitary Sewers	0	0	14,294,650	11,377,736	14,294,650	11,377,736
Total Capital Assets, being Depreciated	34,748,352	34,309,462	23,286,619	20,300,928	58,034,971	54,610,390
Accumulated Depreciation	(19,774,507)	(19,220,028)	(9,923,022)	(9,386,997)	(29,697,529)	(28,607,025)
Total Capital Assets, Depreciable, Net	14,973,845	15,089,434	13,363,597	10,913,931	28,337,442	26,003,365
<b>Total Capital Assets</b>	<u>\$19,757,703</u>	<u>\$19,459,907</u>	<u>\$13,958,888</u>	<u>\$14,108,029</u>	<u>\$33,716,591</u>	<u>\$33,567,936</u>

The primary increases in Governmental Capital Assets occurred in construction in progress, building improvements, equipment purchases and infrastructure improvements. These improvements were part of the City's long-term goal of completely rebuilding the infrastructure of our City from our roads and bridges through storm and sanitary sewers. Even though grants are gradually increasing the required percentage of local matching funds, such as Issue II funds increasing from a 30 percent match to a 40 percent match, the City of Ashtabula has been aggressively seeking these grant dollars knowing that we have the local match dollars available. The major projects during 2009 were our regular street paving project, which cost approximately \$963,684. We also continued our equipment replacement program during 2009 with a majority of the money being spent on equipment for the safety forces. The biggest single purchase was a new radio system for the police department costing in excess of \$151,000. The City is still committed to our City sidewalks and the \$2.50 per square foot reimbursement offered by the City. Each property owner in the City is eligible for the reimbursement which covers approximately 60 percent of the cost to install the new sidewalk in front of their homes and businesses. The City has a strong commitment of recreation for all. Continued work on Smith Field, Walnut Beach and other playgrounds in the City has been given high priority.

The biggest increase in Capital Assets in our Business-Type Activities was the completion the Equalization Basin. This one million gallon below ground concrete holding tank is able to reduce the flow through the City's sewer lines during periods of heavy rains by collecting the flow and holding a million gallons until the City is ready to release them during regular flow periods. This EQ Basin was mandated by the Ohio EPA to stop overflows of sanitary storm sewers into the river during heavy rain events. Another benefit of the EQ Basin is the relief of sewage back-ups into a few basements in the harbor area. The second significant project the City substantially completed during 2009 was the installation of new primary pumps and drives. Both of these projects are just steps towards the City's plan to renovate and upgrade the entire plant within ten years. See Note 9 for additional information about the City's capital assets.

**City of Ashtabula, Ohio**  
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**Debt**

At December 31, 2009 the City of Ashtabula had \$7,808,598 in bonds, loans, claims, and compensated absences outstanding, \$2,191,346 of which are due within one year.

Table 4  
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$349,827	\$300,796	\$0	\$0	\$349,827	\$300,796
Special Assessments:						
OPWC Loan - Harbor Heights	102,715	112,498	0	0	102,715	112,498
Mareddy Estates	0	23,984	0	0	-	23,984
Police and Fire Loan	0	0	0	0	0	-
Claims Payable	269,007	284,703	0	0	269,007	284,703
Compensated Absences	3,113,766	2,950,575	353,364	363,516	3,467,130	3,314,091
OPWC Loans:						
Morton Drive Siphon	0	0	183,659	161,989	183,659	161,989
Michigan Avenue/EQ Basin	0	0	475,000	500,000	475,000	500,000
West/Lake Avenue Bridge	699	0	0	0	699	0
KeyCorp Loan	0	0	200,000	0	200,000	0
OWDA Loan	0	0	905,831	1,024,045	905,831	1,024,045
EQ Basin Loan	0	0	1,854,730	2,078,727	1,854,730	2,078,727
<b>Total Outstanding Debt</b>	<b>\$3,836,014</b>	<b>\$3,672,556</b>	<b>\$3,972,584</b>	<b>\$4,128,277</b>	<b>\$7,808,598</b>	<b>\$7,800,833</b>

The OPWC Loan – Harbor Heights and Mareddy Estates are secured by future collections of special assessments. The Harbor Heights residents have agreed to be assessed on their property taxes for a 20 year period commencing January 1, 1999 and ending July 2018. The Mareddy Estates property owners initiated a paving assessment to be paid on their property taxes for a seven year period of time commencing January 1, 2003 and ended with the second half property taxes paid in July of 2009.

The amount due to the Ohio Public Works Commission and the Ohio Water Development Authority as well as the EQ Basin Loan are paid by sewer revenues collected from the users as part of their normal sewer bill.

The City's overall legal debt margin was \$24,448,239 at December 31, 2009. See Note 10 for additional information about the City's long-term debt.

**Current Related Financial Activities**

The City of Ashtabula has seen a decline in finances during 2009. City Council did implement a hiring freeze to all departments, a review of each departments operating expenses covering everything from cell phones, travel expenses, and added a new fuel purchasing system with Wright Express which allows our vehicles to fuel at any local station receiving the lowest local prices. One major financial hurdle the City is currently facing is the increase in accounts receivable from non payment of sewer and trash bills. Although the City will eventually collect most of the non payments through property tax assessments in the interim, cash flow remains a problem. Employees are still paid the wages, fuel costs which have increased in the last few years still needs to be paid, yet approximately 25 percent of our citizens did not pay their bill. The City Manager

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
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*Unaudited*

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Anthony Cantagallo recommended to the Finance Committee of City Council to increase the late payment penalty from 3 percent per bill to \$25 per month or \$50 per bill as our sewer and trash bills go out bi-monthly. With the passage of this legislation the mail, citizens at the drive thru and direct pay at the window picked up immediately. Citizens are now paying on time in order to avoid the fifty dollar late fee.

The citizens passed the renewal of the City Income Tax on May 4, 2010 which is currently at 1.8 percent. The new income tax renewal is in effect until December 31, 2013. Other options, such as a reduced tax credit which currently is 100 percent are being reviewed and one other option being explored is a tax levy to be used for street paving only. The City of Ashtabula is currently reviewing several ways to generate approximately \$500,000 annually. The City currently spends around a half million dollars in paving City streets per year but needs to double that amount to keep up with streets that are in need of repaving.

Another very important current financial event is the City's effort in pursuing the annexation of the surrounding townships that use the City of Ashtabula's Wastewater Treatment plant. A March of 2007 Ohio Supreme court case entitled Perrysburg allowed that City's that supply services such as sewers have a right to force annexation or discontinue services. This case may have huge implications for the City of Ashtabula. City Council did pass legislation terminating the City/County sewer agreement. The County has filed a lawsuit on behalf of the townships in hopes of getting a reasonable amount of time before any annexation begins. Negotiations are ongoing in hopes of establishing Joint Economic Development Districts and Cooperative Economic Development Agreements during the interim period before actual annexation begins.

The City took a small risk ten years ago by getting into a self-funded health insurance program and the self-funded workers' compensation program. Our premiums for health insurance, based on the plan our unions had negotiated, were extremely high and getting worse each year. The City was also negatively rated in the State funded workers' compensation program. When the City entered the retrospective rating program, both workers' compensation and health insurance monies were put into new funds established by the City as if the premiums were still being paid. The cash balances have accumulated to over \$890,000 in these funds by reducing our annual expenses in both of these areas.

The City manages the hospital/medical, dental, drug and vision insurance benefits for its employees through a self-insured program. A third party administrator, Anthem Blue Cross and Blue Shield processes and pays the claims. The City pays the self-insurance claims and administrative costs weekly from its Self Insurance Internal Service Fund.

During 2009, the City continued the self funded retrospective rating program for workers compensation. As the City has reduced lost time claims and reduced its overall cost, we became more attractive to a group which pools its employees and receives a discounted rate from the Bureau of Workers Compensation. A calculation of self funded versus the State Program through a group showed a considerable savings in the self funded program over the long term. Several programs such as the Transitional Work and Drug Free Workplace have been instrumental in helping reduce our Workers Compensation Cost. The City will continue to fund our Workers Compensation Internal Service Fund to pay our current self funded premiums and the remaining retrospective rating claims cost. The City is responsible for ten years of actual claims cost under the retrospective ratings system, dropping off the oldest year each year. Since the City exited the retrospective rating system December 31, 2003 we are responsible for claims from January 1, 1998 thru December 31, 2003. The years 2004 and 2005 are not part of this calculation as the City was in the group plan during this period. As of January 1, 2006, the City has converted back to the respective rating plan and left the group. It is the City's position that we can get lower premiums, less cost by being on our own, and self funded.

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2009*  
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The City has also purchased and paid cash for a tremendous amount of new equipment in the last five years. Items include a new fire department apparatus, many new police cars including computers in the cars that allow our officers to check any registration or personal information from their cars, police radio systems, new sanitation equipment, snowplows, tractors for mowing, new computers and software for the Auditors office, Municipal Court, and other departments as needed. Virtually every department has had their equipment needs assessed, prioritized and purchased if possible.

My long term plan as City Auditor has been an ongoing plan of reducing debt in our City, although in these very tough economic times we have had to borrow monies, mostly interest free monies from the Ohio Public Works Commission to use as grant matching funds. I have always been very conservative when it came to borrowing money for projects the City of Ashtabula requires as opposed to desires. Then on the other side, we have done additional borrowing for projects which are needed and have added value for our City such as the equalization basin, building improvements, and other sewer related projects. I have been opposed to leasing equipment as requested by several departments. I have taken the position of equipment purchases being paid for as we can afford these purchases out of the City's Permanent Improvement Fund.

In conclusion, the City of Ashtabula has committed itself to financial excellence for many years. The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1987. The City of Ashtabula was one of the first cities in Ohio to report using the new GASB 33 and 34 requirements. Our 2008 CAFR did receive this prestigious award. Our commitment to the residents of the City of Ashtabula has always been full disclosure of the financial position of the City.

### **Contacting the City's Finance Department**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Michael A. Zullo, CPA, Ashtabula City Auditor, 4717 Main Avenue, Ashtabula, Ohio 44004, telephone 440-992-7107, or e-mail at [michaelz@suite224.net](mailto:michaelz@suite224.net).

**City Of Ashtabula, Ohio**  
*Statement of Net Assets*  
*December 31, 2009*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activity	Total	
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,811,149	\$262,347	\$3,073,496	\$0
Cash and Cash Equivalents in Segregated Accounts	144,669	0	144,669	551,315
Accounts Receivable	1,590,816	1,890,778	3,481,594	0
Accrued Interest	0	0	0	5,440
Due from Other Governments	3,164,738	0	3,164,738	39,697
Materials and Supplies Inventory	38,494	1,357	39,851	0
Prepaid Items	104,708	42,013	146,721	0
Due from Component Unit	90,337	0	90,337	0
Loans Receivable	131,114	0	131,114	0
Property Taxes Receivable	2,134,261	0	2,134,261	0
Income Taxes Receivable	1,512,011	0	1,512,011	0
Special Assessments Receivable	89,169	0	89,169	0
Capital Assets, Nondepreciable	4,783,858	595,291	5,379,149	1,679,476
Capital Assets, Depreciable, Net	14,973,845	13,363,597	28,337,442	293,568
<i>Total Assets</i>	<u>31,569,169</u>	<u>16,155,383</u>	<u>47,724,552</u>	<u>2,569,496</u>
<b>Liabilities</b>				
Accounts Payable	91,417	85,686	177,103	0
Contracts Payable	86,324	0	86,324	0
Loans Payable	111,172	0	111,172	0
Accrued Wages and Benefits	94,558	14,890	109,448	2,604
Due to Other Governments	500,933	2,084	503,017	110,000
Deferred Revenue	1,784,353	0	1,784,353	11,099
Deposits Held and Due to Others	1,483	0	1,483	0
Accrued Interest Payable	5,943	39,177	45,120	0
Due to Primary Government	0	0	0	90,337
Long-Term Liabilities:				
Due Within One Year	1,629,958	561,388	2,191,346	25,496
Due Within More Than One Year	2,206,056	3,411,196	5,617,252	600,425
<i>Total Liabilities</i>	<u>6,512,197</u>	<u>4,114,421</u>	<u>10,626,618</u>	<u>839,961</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	19,304,462	10,339,668	29,644,130	1,256,786
Restricted for:				
Capital Projects	616,317	0	616,317	0
Debt Service	212,116	0	212,116	0
Community Development	2,266,481	0	2,266,481	0
Sanitation	883,394	0	883,394	0
Street Maintenance and Repair	140,771	0	140,771	0
Other Purposes	791,656	0	791,656	0
Unrestricted	841,775	1,701,294	2,543,069	472,749
<i>Total Net Assets</i>	<u>\$25,056,972</u>	<u>\$12,040,962</u>	<u>\$37,097,934</u>	<u>\$1,729,535</u>

See accompanying notes to the basic financial statements



**City of Ashtabula, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2009

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government:				
Legislative and Executive	\$3,227,472	\$265,773	\$0	\$97,318
Judicial System	1,183,400	759,859	87,818	0
Security of Persons and Property:				
Police	3,686,839	44,108	381,438	0
Fire	3,021,851	51,658	36,438	0
Public Health Services	365,246	174,062	207,053	0
Street Maintenance and Repairs	1,922,571	40,554	94,120	407,687
Housing and Community Development	601,846	295,469	233,330	173,444
Sanitation Services	1,928,179	1,801,553	40,000	0
Leisure Time Activities	79,793	13,830	0	0
Interest and Fiscal Charges	31,026	0	0	0
<i>Total Governmental Activities</i>	16,048,223	3,446,866	1,080,197	678,449
<b>Business-Type Activity</b>				
Wastewater Treatment	4,230,206	3,601,213	0	231,298
<i>Total Primary Government</i>	<u>\$20,278,429</u>	<u>\$7,048,079</u>	<u>\$1,080,197</u>	<u>\$909,747</u>
<b>Component Unit</b>				
Asthtabula Port Authority	<u>\$156,705</u>	<u>\$23,772</u>	<u>\$26,427</u>	<u>\$12,225</u>

**General Revenues**

Property Taxes Levied for:

    General Purposes

    Capital Outlay

Income Taxes Levied for:

    General Purposes

    Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Other

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Assets

*Net Assets Beginning of Year*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activity	Total	Component Unit
(\$2,864,381)	\$0	(\$2,864,381)	\$0
(335,723)	0	(335,723)	0
(3,261,293)	0	(3,261,293)	0
(2,933,755)	0	(2,933,755)	0
15,869	0	15,869	0
(1,380,210)	0	(1,380,210)	0
100,397	0	100,397	0
(86,626)	0	(86,626)	0
(65,963)	0	(65,963)	0
(31,026)	0	(31,026)	0
(10,842,711)	0	(10,842,711)	0
0	(397,695)	(397,695)	0
(10,842,711)	(397,695)	(11,240,406)	0
0	0	0	(94,281)
1,735,619	0	1,735,619	0
476,191	0	476,191	0
5,508,718	0	5,508,718	0
622,236	0	622,236	0
3,135,994	0	3,135,994	16,040
11,572	0	11,572	1,642
250,783	28,196	278,979	0
11,741,113	28,196	11,769,309	17,682
76,500	(76,500)	0	0
11,817,613	(48,304)	11,769,309	17,682
974,902	(445,999)	528,903	(76,599)
24,082,070	12,486,961	36,569,031	1,806,134
\$25,056,972	\$12,040,962	\$37,097,934	\$1,729,535

**City of Ashtabula, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2009*

	General	Community Development Block Grant	Sanitation	Street Maintenance and Repair	Debt Service
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$106,938	\$210,112	\$122,793	\$32,499	\$122,947
Cash and Cash Equivalents					
In Segregated Accounts	144,669	0	0	0	0
Receivables:					
Property Taxes	948,396	0	0	0	0
Income Taxes	1,360,810	0	0	0	0
Accounts	56,188	332,176	1,049,208	77,584	0
Special Assessments	0	0	0	0	89,169
Due from Other Governments	1,214,302	1,537,121	0	309,039	0
Materials and Supplies Inventory	11,830	0	0	26,664	0
Prepaid Items	80,695	230	0	336	0
Due from Component Unit	0	90,337	0	0	0
Loans Receivable	0	131,114	0	0	0
<i>Total Assets</i>	\$3,923,828	\$2,301,090	\$1,172,001	\$446,122	\$212,116
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$68,065	\$0	\$3,136	\$5,199	\$0
Contracts Payable	15,010	14,752	35,156	0	0
Loans Payable	0	0	0	0	0
Accrued Wages	75,545	1,827	7,032	9,697	0
Due to Other Governments	114,069	256	984	1,358	0
Accrued Interest Payable	0	0	0	0	0
Deferred Revenue	3,054,356	1,869,297	970,561	336,001	89,169
Deposits Held and Due to Others	0	0	0	0	0
<i>Total Liabilities</i>	3,327,045	1,886,132	1,016,869	352,255	89,169
<b>Fund Balances</b>					
Reserved for Encumbrances	13,543	188,252	110	342	0
Reserved for Inventory	11,830	0	0	26,664	0
Reserved for Loans Receivable	0	205,874	0	0	0
Unreserved:					
Designated for Roadway Improvements	0	0	0	0	0
Undesignated, Reported in:					
General Fund	571,410	0	0	0	0
Special Revenue Funds	0	20,832	155,022	66,861	0
Debt Service Fund	0	0	0	0	122,947
Capital Projects Funds (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	596,783	414,958	155,132	93,867	122,947
<i>Total Liabilities and Fund Balances</i>	\$3,923,828	\$2,301,090	\$1,172,001	\$446,122	\$212,116

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2009*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds		
			<b>Total Governmental Funds Balances</b>	\$2,431,032
			<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$463,422	\$858,295	\$1,917,006	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	19,757,703
0	0	144,669		
515,913	669,952	2,134,261	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
151,201	0	1,512,011	Property Taxes	\$352,166
29,848	34,652	1,579,656	Charges for Services	1,466,650
0	0	89,169	Income Tax	1,055,049
28,010	76,266	3,164,738	Intergovernmental	2,995,965
0	0	38,494	Special Assessments	89,169
12,200	621	94,082	Total	5,958,999
0	0	90,337	Two internal service funds are used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	476,245
0	0	131,114		
<u>\$1,200,594</u>	<u>\$1,639,786</u>	<u>\$10,895,537</u>		
\$14,390	\$142	\$90,932	Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.	
16,100	5,306	86,324		
111,172		111,172	General Obligation Bonds	(349,827)
0	457	94,558	OPWC Loan	(699)
0	214,074	330,741	Special Assessments	(102,715)
5,943	0	5,943	Compensated Absences	(3,113,766)
649,428	774,540	7,743,352	Total	(3,567,007)
0	1,483	1,483		
<u>797,033</u>	<u>996,002</u>	<u>8,464,505</u>	<i>Net Assets of Governmental Activities</i>	<u>\$25,056,972</u>
267,441	290,313	760,001		
0	0	38,494		
0	0	205,874		
412,000	0	412,000		
0	0	571,410		
0	350,160	592,875		
0	0	122,947		
(275,880)	3,311	(272,569)		
403,561	643,784	2,431,032		
<u>\$1,200,594</u>	<u>\$1,639,786</u>	<u>\$10,895,537</u>		

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2009*

	General	Community Development Block Grant	Sanitation	Street Maintenance and Repair	Debt Service
<b>Revenues</b>					
Property Taxes	\$1,086,339	\$0	\$0	\$0	\$0
Municipal Income Tax	5,619,950	0	0	0	0
Charges for Services	144,797	0	1,783,822	12,200	0
Licenses and Permits	87,024	0	0	0	0
Fines and Forfeitures	704,813	0	0	0	0
Intergovernmental	1,481,801	467,968	40,000	719,674	0
Special Assessments	0	0	0	0	35,975
Interest	3,031	303	0	6,497	0
Rentals	151,877	0	0	0	0
Other	239,484	0	6,056	0	0
<i>Total Revenues</i>	<u>9,519,116</u>	<u>468,271</u>	<u>1,829,878</u>	<u>738,371</u>	<u>35,975</u>
<b>Expenditures</b>					
Current:					
General Government:					
Legislative and Executive	2,609,866	0	0	0	1,048
Judicial System	973,797	0	0	0	0
Security of Persons and Property:					
Police	2,967,765	0	0	0	0
Fire	2,252,988	0	0	0	0
Public Health Services	220,311	0	0	0	0
Street Maintenance and Repairs	9,194	0	0	1,149,232	0
Housing and Community Development	20,483	390,064	0	0	0
Sanitation Services	33,441	0	1,657,283	0	0
Leisure Time Activities	22,000	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	234,736
Interest and Fiscal Charges	0	0	0	0	27,440
<i>Total Expenditures</i>	<u>9,109,845</u>	<u>390,064</u>	<u>1,657,283</u>	<u>1,149,232</u>	<u>263,224</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>409,271</u>	<u>78,207</u>	<u>172,595</u>	<u>(410,861)</u>	<u>(227,249)</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds of Bonds	0	0	0	0	0
Proceeds of OPWC Loan	0	0	0	0	0
Proceeds from Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	371,200	313,500
Transfers Out	(328,200)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(328,200)</u>	<u>0</u>	<u>0</u>	<u>371,200</u>	<u>313,500</u>
<i>Net Change in Fund Balances</i>	81,071	78,207	172,595	(39,661)	86,251
<i>Fund Balances (Deficit) Beginning of Year</i>	518,099	336,751	(17,463)	117,490	36,696
Increase (Decrease) in Reserve for Inventory	(2,387)	0	0	16,038	0
<i>Fund Balances End of Year</i>	<u>\$596,783</u>	<u>\$414,958</u>	<u>\$155,132</u>	<u>\$93,867</u>	<u>\$122,947</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2009*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds		
			<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$54,462</b>
			<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
			Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	
\$463,093	\$602,018	\$2,151,450	Capital Outlay	\$1,730,423
634,595	0	6,254,545	Depreciation	(1,399,460)
29,848	42,772	2,013,439	Total	330,963
0	208,254	295,278		
41,266	91,958	838,037		
459,931	175,073	3,344,447		
0	0	35,975		
308	1,433	11,572		
557	0	152,434	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of statement of activities, a gain or loss is reported for each disposal.	(33,167)
0	0	245,540		
<u>1,629,598</u>	<u>1,121,508</u>	<u>15,342,717</u>	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
			Property Taxes	60,360
			Municipal Income Tax	(123,591)
0	0	2,610,914	Charges for Services	173,379
0	47,388	1,021,185	Intergovernmental	1,524,492
			Special Assessments	(35,975)
			Total	1,598,665
0	371,208	3,338,973	Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets.	(250,699)
0	373,631	2,626,619		
0	127,561	347,872	Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	234,736
0	14,400	1,172,826		
0	145,578	556,125		
0	0	1,690,724	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(3,586)
0	16,838	38,838		
1,953,177	0	1,953,177	Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
			Compensated absences	(163,191)
			Change in Inventory	13,651
			Total	(149,540)
			The internal service funds used by management to charge the costs of insurance and workers' compensation to individual funds are not reported in the city-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.	(806,932)
<u>1,953,177</u>	<u>1,096,604</u>	<u>15,619,429</u>	<i>Change in Net Assets of Governmental Activities</i>	<u>\$974,902</u>
(323,579)	24,904	(276,712)		
250,000	0	250,000		
699	0	699		
3,975	0	3,975		
0	39,500	724,200		
(237,000)	(82,500)	(647,700)		
<u>17,674</u>	<u>(43,000)</u>	<u>331,174</u>		
(305,905)	(18,096)	54,462		
709,466	661,880	2,362,919		
0	0	13,651		
<u>\$403,561</u>	<u>\$643,784</u>	<u>\$2,431,032</u>		

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$1,071,500	\$1,071,500	\$1,086,339	\$14,839
Municipal Income Tax	5,972,000	5,921,500	5,622,743	(298,757)
Charges for Services	164,000	164,000	143,238	(20,762)
Licenses and Permits	102,271	102,271	87,024	(15,247)
Fines and Forfeitures	790,175	790,175	710,781	(79,394)
Intergovernmental	1,836,076	1,622,838	1,520,094	(102,744)
Interest	103,000	103,000	3,031	(99,969)
Rentals	72,200	72,200	151,877	79,677
Other	237,249	237,249	239,767	2,518
<i>Total Revenues</i>	<u>10,348,471</u>	<u>10,084,733</u>	<u>9,564,894</u>	<u>(519,839)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive	3,064,538	2,877,155	2,671,659	205,496
Judicial System	1,009,810	1,031,388	1,000,155	31,233
Security of Persons and Property:				
Police	3,214,671	3,168,042	3,065,845	102,197
Fire	2,421,528	2,403,944	2,303,579	100,365
Public Health Services	220,758	242,359	223,317	19,042
Street Maintenance and Repairs	3,756	12,892	9,363	3,529
Housing and Community Development	25,794	25,239	20,752	4,487
Sanitation Services	5,770	48,799	33,671	15,128
Leisure Time Activities	22,000	22,000	22,000	0
<i>Total Expenditures</i>	<u>9,988,625</u>	<u>9,831,818</u>	<u>9,350,341</u>	<u>481,477</u>
<i>Excess of Revenues Over Expenditures</i>	359,846	252,915	214,553	(38,362)
<b>Other Financing Uses</b>				
Transfers Out	(404,500)	(338,200)	(328,200)	10,000
<i>Net Change in Fund Balance</i>	(44,654)	(85,285)	(113,647)	(28,362)
<i>Fund Balance Beginning of Year</i>	158,862	158,862	158,862	0
Prior Year Encumbrances Appropriated	44,942	44,942	44,942	0
<i>Fund Balance End of Year</i>	<u>\$159,150</u>	<u>\$118,519</u>	<u>\$90,157</u>	<u>(\$28,362)</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Development Block Grant Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$1,075,976	\$2,634,976	\$489,776	(\$2,145,200)
Interest	1,335	1,335	303	(1,032)
<i>Total Revenues</i>	1,077,311	2,636,311	490,079	(2,146,232)
<b>Expenditures</b>				
Current:				
Housing and Community Development	1,048,780	1,900,780	703,085	1,197,695
<i>Net Change in Fund Balance</i>	28,531	735,531	(213,006)	(948,537)
<i>Fund Balance Beginning of Year</i>	70,015	70,015	70,015	0
Prior Year Encumbrances Appropriated	150,504	150,504	150,504	0
<i>Fund Balance End of Year</i>	<u>\$249,050</u>	<u>\$956,050</u>	<u>\$7,513</u>	<u>(\$948,537)</u>

See accompanying notes to the basic financial statements



**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sanitation Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$1,706,038	\$1,706,038	\$1,780,461	\$74,423
Intergovernmental	46,473	46,473	40,000	(6,473)
Other	25,000	25,000	6,056	(18,944)
<i>Total Revenues</i>	1,777,511	1,777,511	1,826,517	49,006
<b>Expenditures</b>				
Current:				
Sanitation Services	1,784,461	1,766,461	1,720,573	45,888
<i>Net Change in Fund Balance</i>	(6,950)	11,050	105,944	94,894
<i>Fund Balance Beginning of Year</i>	9,789	9,789	9,789	0
Prior Year Encumbrances Appropriated	6,950	6,950	6,950	0
<i>Fund Balance End of Year</i>	\$9,789	\$27,789	\$122,683	\$94,894

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Maintenance and Repair Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$0	\$0	\$13,100	\$13,100
Intergovernmental	835,000	835,000	770,481	(64,519)
Interest	35,000	35,000	6,497	(28,503)
Other	25,000	25,000	0	(25,000)
<i>Total Revenues</i>	895,000	895,000	790,078	(104,922)
<b>Expenditures</b>				
Current:				
Street Maintenance and Repairs:				
Public Works	1,354,271	1,267,971	1,194,051	73,920
<i>Excess of Revenues Under Expenditures</i>	(459,271)	(372,971)	(403,973)	(31,002)
<b>Other Financing Sources</b>				
Transfers In	450,000	383,700	371,200	(12,500)
<i>Net Change in Fund Balance</i>	(9,271)	10,729	(32,773)	(43,502)
<i>Fund Balance Beginning of Year</i>	51,001	51,001	51,001	0
Prior Year Encumbrances Appropriated	9,271	9,271	9,271	0
<i>Fund Balance End of Year</i>	<u>\$51,001</u>	<u>\$71,001</u>	<u>\$27,499</u>	<u>(\$43,502)</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2009*

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<b>Assets</b>		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$262,347	\$894,143
Accounts Receivable	1,890,778	11,160
Interfund Receivable	0	493,688
Materials and Supplies Inventory	1,357	0
Prepaid Items	42,013	10,626
<i>Total Current Assets</i>	<u>2,196,495</u>	<u>1,409,617</u>
Noncurrent Assets		
Capital Assets, Nondepreciable	595,291	0
Capital Assets, Depreciable, Net	13,363,597	0
<i>Total Noncurrent Assets</i>	<u>13,958,888</u>	<u>0</u>
<i>Total Assets</i>	<u>16,155,383</u>	<u>1,409,617</u>
<b>Liabilities</b>		
Current Liabilities:		
Accounts Payable	85,686	485
Contracts Payable	0	0
Interfund Payable	0	493,688
Accrued Wages	14,890	0
Compensated Absences Payable	119,571	0
Due to Other Governments	2,084	170,192
Accrued Interest Payable	39,177	0
Claims Payable	0	149,007
Loans Payable	441,817	0
<i>Total Current Liabilities</i>	<u>703,225</u>	<u>813,372</u>
Long-Term Liabilities:		
Compensated Absences Payable	233,793	0
Claims Payable	0	120,000
Loans Payable	3,177,403	0
<i>Total Long-Term Liabilities</i>	<u>3,411,196</u>	<u>120,000</u>
<i>Total Liabilities</i>	<u>4,114,421</u>	<u>933,372</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	10,339,668	0
Unrestricted	1,701,294	476,245
<i>Total Net Assets</i>	<u>\$12,040,962</u>	<u>\$476,245</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2009*

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<b>Operating Revenues</b>		
Charges for Services	\$3,601,213	\$2,013,014
Miscellaneous	28,196	5,243
<i>Total Revenues</i>	<u>3,629,409</u>	<u>2,018,257</u>
<b>Operating Expenses</b>		
Personal Services	2,112,454	0
Contractual Services	609,819	485,787
Materials and Supplies	837,124	0
Depreciation	536,025	0
Claims	0	2,339,402
<i>Total Operating Expenses</i>	<u>4,095,422</u>	<u>2,825,189</u>
<i>Operating Loss</i>	(466,013)	(806,932)
<b>Non Operating Expenses</b>		
Interest and Fiscal Charges	(134,784)	0
<i>Loss Before Contributions and Transfers</i>	(600,797)	(806,932)
Capital Contributions	231,298	0
Transfers Out	(76,500)	0
<i>Change in Net Assets</i>	(445,999)	(806,932)
<i>Net Assets Beginning of Year</i>	<u>12,486,961</u>	<u>1,283,177</u>
<i>Net Assets End of Year</i>	<u>\$12,040,962</u>	<u>\$476,245</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2009

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<b><i>Increase (Decrease) In Cash and Cash Equivalents</i></b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$3,598,829	\$0
Cash Received from Other Funds	0	2,007,097
Cash Received from Other Non-Operating Sources	0	493,688
Cash Payments to Suppliers for Goods and Services	(1,419,363)	(464,906)
Cash Payments for Claims	0	(2,355,098)
Cash Payments for Employee Services and Benefits	(2,190,808)	0
Other Non Operating Expenses	0	(493,688)
<i>Net Cash Used for Operating Activities</i>	<u>(11,342)</u>	<u>(812,907)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Transfers Out	<u>(76,500)</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Tap-In Fees	225,675	0
Proceeds of Loan	271,670	0
Acquisition of Capital Assets	(381,261)	0
Principal Paid OWDA Loan	(118,214)	0
Principal Paid EQ Basin Loan	(223,997)	0
Principal Paid on Michigan Ave EQ Basin	(25,000)	0
Principal Paid Key Loan	(50,000)	0
Interest Paid on OWDA Loan	(43,274)	0
Interest Paid on EQ Basin Loan	(87,307)	0
Interest Paid on Key Loan	<u>(9,125)</u>	<u>0</u>
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(440,833)</u>	<u>0</u>
<i>Net Decrease In Cash and Cash Equivalents</i>	(528,675)	(812,907)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>791,022</u>	<u>1,707,050</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$262,347</u>	<u>\$894,143</u>

(continued)

**City of Ashtabula, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Year Ended December 31, 2008*

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>		
<i>Operating Loss</i>	(\$466,013)	(\$806,932)
Adjustments:		
Depreciation	536,025	0
(Increase)/ Decrease in Assets:		
Accounts Receivable	(2,384)	(11,160)
Interfund Receivable	0	(493,688)
Materials and Supplies Inventory	2,712	0
Prepaid Items	(4,725)	(10,626)
Increase/ (Decrease) in Liabilities:		
Accounts Payable	40,974	328
Contracts Payable	(39,577)	0
Interfund Payable		493,688
Accrued Wages	(54,268)	0
Compensated Absences Payable	(10,152)	0
Due to Other Governments	(13,934)	31,179
Claims Payable	0	(15,696)
<i>Net Cash Used for Operating Activities</i>	<u>(\$11,342)</u>	<u>(\$812,907)</u>

**Noncash Capital Financing Activities**

During 2009, OPWC paid \$8,123 directly to contractors on behalf of the Wastewater Treatment fund for capital assets. The Wastewater Treatment fund contributed \$2,500 for City infrastructure.

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2009*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$26,135</u>
<i>Total Assets</i>	<u><u>\$26,135</u></u>
<b>Liabilities</b>	
Due to Other Governments	\$1,809
Deposits Held and Due to Others	<u>24,326</u>
<i>Total Liabilities</i>	<u><u>\$26,135</u></u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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**Note 1 - Description of the City and Reporting Entity**

The City of Ashtabula is a home rule municipal corporation incorporated as a city in 1891 under the laws of the State of Ohio. The City operates under its own charter. The charter provides for an elected City Manager-Council form of government, which was adopted on January 1, 1950. Elected officials are the city manager, members of council, and the city solicitor. All serve four-year terms.

***Reporting Entity***

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Ashtabula, this includes police and fire, street maintenance and repairs, parks and recreation, public improvements, community development (planning and zoning), health services, wastewater, sanitation, and general administrative and legislative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable (See Note 20). The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget.

The component unit column in the basic financial statements identifies the financial data of the discretely presented component unit, the Ashtabula Port Authority. It is reported separately to emphasize that it is legally separate from the City.

***Ashtabula City Port Authority*** The Ashtabula City Port Authority is a legally separate entity, statutorily created under Section 4582.02 of the Ohio Revised Code, served by a seven-member board of directors appointed by the City Manager with the approval of City Council. Charged with the responsibility of industrial development and the improvement of Ashtabula's interconnecting waterways, the Port Authority is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. The Port Authority is fiscally dependent on the City and is therefore presented as a component unit of the City. On November 1, 1999, the Port Authority borrowed \$150,000 from the City's Revolving Loan Fund to finance the construction of a new housing facility for the United States Coast Guard Station located within the city limits. The Coast Guard signed a twenty year lease with the Port Authority. The City of Ashtabula was the co-signer on a fifteen year, \$375,000 Rural Industrial Park loan, taken out by the Port Authority for the infrastructure installation in the new 38 acre Industrial Park located at the end of State Route 11. The loan was through the Ohio Department of Development. The Port Authority is planning on selling the lots to businesses and applying the proceeds on repayment of the loan. The loan has no interest, principal, or service fee payments for the first sixty months. Thereafter the Port Authority will pay interest at the rate of 3 percent plus a .25 percent service fee per annum. Financial statements can be obtained from J. A. Valentic & Company Inc., 517 West Prospect Road, Ashtabula, Ohio.

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the Ashtabula City Port Authority is presented in Note 20.



**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the City of Ashtabula have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB pronouncements issued after November 30, 1989, to its business type activities and enterprise fund. The more significant of the City's accounting policies are described below.

**A. Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-wide Financial Statements** The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the single business-type activity of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

**B. Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balances. The following are the City's major governmental funds:

***General Fund*** The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Ashtabula and/or the general laws of Ohio.

***Community Development Block Grant Special Revenue Fund*** The Community Development Block Grant Special Revenue fund is used to account for monies received from the State under the federal Community Development Block Grant and Rental Rehabilitation programs and expended under the guidelines of those programs.

***Sanitation Special Revenue Fund*** The Sanitation Special Revenue fund is used to account for the charges for services fees collected for residential and commercial trash services provided to City residents.

***Street Maintenance and Repair Special Revenue Fund*** The Street Maintenance and Repair Special Revenue fund accounts for the portion of the gasoline tax and motor vehicle registration fees restricted for maintenance and repair of dedicated streets within the City.

***Debt Service Fund*** The Debt Service fund is used to account for the property and other taxes collected and special assessments for, and the payment of, general long-term debt principal, interest and related costs.

***Permanent Improvement Capital Projects Fund*** The Permanent Improvement Capital Projects fund accounts for property and other taxes, municipal income tax and intergovernmental revenues to be used for the acquisition, construction, or improvement of major capital facilities other than those financed by proprietary funds.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

***Proprietary Funds*** Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

***Enterprise Fund*** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The only enterprise fund of the City accounts for the operations of the wastewater treatment facility.

***Internal Service Funds*** Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on self-insurance programs for employee medical benefits and workers' compensation.

***Fiduciary Funds*** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds to account for assets held by the City for fire deposits, the law library and street deposits.

**C. Measurement Focus**

**Government-wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

**Fund Financial Statements** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, the resources must also be available before they can be recorded as revenue. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within thirty-one days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), interest, tuition, grants, fees and rentals.

***Deferred Revenue*** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

***E. Budgets***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2009.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

***F. Cash and Cash Equivalents***

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

During 2009, investments were limited to STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2009.

Except for nonparticipating investment contracts, investments are reported at fair market value which is based on quoted market prices. Any increase or decrease in fair market value is reported as a component of interest income. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

Interest is distributed to the general fund and certain special revenue funds of the City. Interest revenue credited to the general fund during 2009 amounted to \$3,031, which includes \$939 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest-bearing depository accounts are presented on the statement of net assets as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the City's treasury. The cash of the recreation department, Municipal Court and the Ashtabula Port Authority component unit are included in this line item.

Investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

***G. Inventory***

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the enterprise fund are expensed when used.

***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which it was consumed.

***I. Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Land	N/A	N/A
Buildings and Improvements	5 - 50 years	5 - 50 years
Equipment	3 - 25 years	3 - 25 years
Vehicles	3 - 7 years	3 - 7 years
Furniture and Fixtures	7 - 10 years	7 - 10 years
Infrastructure	10 - 99 years	25 - 99 years

The City's infrastructure consists of bridges, roads, storm sewers, traffic lights and sanitary sewers and includes infrastructure acquired prior to December 31, 1980.

***J. Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Receivables and payables resulting from transactions between the primary government and the component unit for services provided or goods received are classified as "Due to Primary Government" or "Due from Component Unit" on the fund financial statements.

***K. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the City's termination policy.

***L. Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the governmental fund financial statements when due.

***M. Fund Balance Reserves and Designations***

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, inventories, and loans receivable are recorded as a reservation of fund balance. The Capital Projects permanent improvement fund has a designation for improvements to roadways at railway crossings in the City.

***N. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

***O. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for wastewater treatment and self-insurance for health and workers' compensation. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. Revenues and expenses which do not meet these definitions are reported as non-operating.

***P. Contributions of Capital***

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

***Q. Interfund Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

Interfund payments for services provided and used are not eliminated. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**R. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 3 - Changes in Accounting Principles**

For fiscal year 2009, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to



**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the City's financial statements.

**Note 4 – Fund Deficit**

The self insurance internal service fund had deficit net assets of \$490,441 as of December 31, 2009. Management is currently analyzing the self insurance fund operations to determine appropriate steps to alleviate the deficit.

**Note 5 - Budgetary Basis of Accounting**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general and each major special revenue fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

Net Change in Fund Balance General and Major Special Revenue Funds				
	General	Community Development Block Grant	Sanitation	Street Maintenance And Repair
GAAP Basis	\$81,071	\$78,207	\$172,595	(\$39,661)
Net Adjustment for Revenue Accruals	45,778	23,297	(3,361)	51,707
Ending Unrecorded Cash	0	(1,489)	0	0
Net Adjustment for Expenditure Accruals	(223,715)	(111,911)	(63,180)	(39,819)
Encumbrances	(16,781)	(201,110)	(110)	(5,000)
Budget Basis	<u>(\$113,647)</u>	<u>(\$213,006)</u>	<u>\$105,944</u>	<u>(\$32,773)</u>

**Note 6 - Deposits and Investments**

State statutes classify monies held by the City into three categories.

Active monies are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or be withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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Inactive deposits are public deposits that Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit, maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the City treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentality;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that instruments in securities described in this division are made only through eligible institutions; and
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available.

The City may also invest any monies not required or needed for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

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The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are reported as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the City Treasury.

Investments in stripped principal or interest obligations and reverse repurchase agreement and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the City's deposits was \$120,379 and the bank balance was \$682,278. Of the bank balance \$591,344 was covered by Federal depository insurance and \$90,934 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institutions' trust department or agent, but not in the City's name.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments**

Investments are reported at fair value. As of December 31, 2009, the City had the following investments:

	Fair Value	Maturity
STAROhio	\$2,979,252	Average 61.2 Days
Total Portfolio	\$2,979,252	

**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. To date, no investments have been purchased with a life greater than five years.

**Credit Risk** STAROhio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the

**City of Ashtabula, Ohio**  
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possession of an outside party. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the City Treasurer or qualified trustee.

**Note 7 - Receivables**

Receivables at December 31, 2009, consisted primarily of taxes, accounts (billings for utility service), special assessments, accrued interest on investments, amounts due from other governments and loans receivable. Loans receivable represent low interest loans for development projects and home improvements granted to eligible City residents and businesses under the Federal Community Development Block Grant program. The loans bear interest at annual rates ranging between three and seven percent. The loans are to be repaid over periods ranging from five to fifteen years. The City has also loaned money to the Ashtabula Port Authority (component unit). The loan has an interest rate of 4.5 percent and is to be repaid over twenty years. No allowances for doubtful accounts have been recorded. All receivables, except property taxes, loans and special assessments are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Loans expected to be collected in more than one year amount to \$123,040 and \$82,834 due from the component unit.

Special assessments expected to be collected in more than one year amount to \$88,825 in the Debt Service Fund. At December 31, 2009 the amount of delinquent special assessments was \$344. Collections expected in 2010 amount to \$9,782.

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) are for 2009 taxes.

2009 real property taxes are levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010. Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility property tax revenue received in calendar year 2009 represents collections of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien December 31, 2007, were levied after April 1, 2008 and are collected in 2008 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during 2009 (other than public utility property tax) represents the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

**City of Ashtabula, Ohio**  
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The full tax rate for all City operations for the year ended December 31, 2009, was \$9.31 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property	\$208,184,970
Public Utility Property	18,409,090
Tangible Personal Property	8,407,070
Total Valuation	\$235,001,130

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Ashtabula. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In the general fund, debt service fund, permanent improvement fund, fire pension fund and police pension fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while on a modified accrual basis it is deferred.

***B. Income Taxes***

An income tax of 1.8 percent is levied on substantially all income earned within the City. In addition, the residents of the City are required to pay City income taxes on income earned outside the City; however, credit is allowed for income taxes paid to other municipalities up to one hundred percent of the City's current tax rate.

The City's income tax ordinance requires ten percent of the income tax revenues to be used to finance capital projects or acquire capital assets. As a result, this portion of the revenue is placed in the permanent improvement capital projects fund. The remaining ninety percent is unrestricted and is credited to the City's general fund.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

In accordance with the City Charter, any income tax ordinance must be approved by a majority vote at a City election prior to the ordinance becoming effective. The current income tax levy has been renewed through December 2013.

***C. Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Grants	\$2,052,941
Local Government	617,037
Gasoline and Excise Tax	295,842
Homestead and Rollback Taxes	129,364
Permissive Tax	53,049
Estate Tax	16,505
Total	\$3,164,738

**City of Ashtabula, Ohio**  
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**Note 8 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2009, the City contracted with Argonaut Insurance Company for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Coverage Amounts</u>	<u>Deductible</u>
General Liability	\$2,000,000	\$1,000
Law Enforcement Liability	2,000,000	25,000
Business Auto - Comprehensive	1,000,000	500
Business Auto - Collision	Actual cash value	1,000
Public Officials' Liability	2,000,000	25,000

There were no significant reductions from prior years and claims have not exceeded insurance coverage in any of the last three years.

The City provides hospital/medical, dental, drug and vision benefits for its employees through a self-insured program. A third party administrator processes and pays the claims. The City is paying self-insurance claims and administrative costs from its insurance internal service fund. An excess coverage insurance (stop loss) policy covers claims in excess of \$50,000 per employee. During 2009, a total of \$2,572,773 was expensed in benefits and administrative costs. The liability for unpaid claims cost of \$7,913, reported in the self insurance internal service fund at December 31, 2009, is based on the requirements of Governmental Accounting Standards Board Statement 30. Statement 30 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability was determined by reviewing invoices for claims paid in January and February 2010 which were incurred in 2009.

The City participates in the State Workers' Compensation retrospective rating and payment system. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claim costs for employees injured. Incurred but not reported claims of \$261,094 have been accrued as a liability in the workers' compensation internal service fund at December 31, 2009 based on an estimate by the City Auditor.

The estimates for the internal services funds were not affected by incremental claim adjustment expenses and do not include other allocated claim adjustment expenses. Changes in the internal services funds' claims liability amounts in the last two years follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2008	\$261,333	\$2,023,648	(\$2,000,278)	\$284,703
2009	284,703	2,339,402	(2,355,098)	269,007

**City of Ashtabula, Ohio**  
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**Note 9 - Capital Assets**

Capital asset activity for the year ended December 31, 2009, was as follows:

	Balance 12/31/2008	Additions	Deductions	Balance 12/31/2009
<b>Governmental Activities:</b>				
Capital Assets, Non-depreciable:				
Land	\$2,001,668	\$0	\$0	\$2,001,668
Construction in Progress	2,368,805	470,135	(56,750)	2,782,190
Total Capital Assets, Non-depreciable	<u>4,370,473</u>	<u>470,135</u>	<u>(56,750)</u>	<u>4,783,858</u>
Capital Assets, Depreciable:				
Buildings and Improvements	11,023,337	35,595	(9,990)	11,048,942
Equipment	2,477,169	237,998	(12,498)	2,702,669
Vehicles	3,987,783	68,921	(221,712)	3,834,992
Furniture and Fixtures	5,200	0	0	5,200
Infrastructure:				
Bridges	4,211,742	870	0	4,212,612
Roads	9,514,623	963,684	(630,912)	9,847,395
Storm Sewers	2,533,404	0	0	2,533,404
Traffic Lights	556,204	9,970	(3,036)	563,138
Total Capital Assets, Depreciable	<u>34,309,462</u>	<u>1,317,038</u>	<u>(878,148)</u>	<u>34,748,352</u>
<b>Less Accumulated Depreciation:</b>				
Buildings and Improvements	(\$4,955,569)	(\$389,326)	\$6,249	(\$5,338,646)
Equipment	(1,798,968)	(206,659)	12,498	(1,993,129)
Vehicles	(2,970,932)	(240,638)	218,345	(2,993,225)
Furniture and Fixtures	(5,200)	0	0	(5,200)
Infrastructure:				
Bridges	(1,394,187)	(42,549)	0	(1,436,736)
Roads	(6,876,209)	(489,395)	606,064	(6,759,540)
Storm Sewers	(1,131,309)	(25,240)	0	(1,156,549)
Traffic Lights	(87,654)	(5,653)	1,825	(91,482)
Total Accumulated Depreciation	<u>(19,220,028)</u>	<u>(1,399,460)</u>	<u>844,981</u>	<u>(19,774,507)</u>
Total Capital Assets, Depreciable, net	<u>15,089,434</u>	<u>(82,422)</u>	<u>(33,167)</u>	<u>14,973,845</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$19,459,907</u></u>	<u><u>\$387,713</u></u>	<u><u>(\$89,917)</u></u>	<u><u>\$19,757,703</u></u>
<b>Business-Type Activities:</b>				
Capital Assets, Non-depreciable:				
Land	\$57,763	\$0	\$0	\$57,763
Construction in Progress	3,136,335	61,373	(2,660,180)	537,528
Total Capital Assets, Non-depreciable	<u>3,194,098</u>	<u>61,373</u>	<u>(2,660,180)</u>	<u>595,291</u>
Capital Assets, Depreciable:				
Buildings and Improvements	6,638,425	20,225	0	6,658,650
Equipment	1,891,809	48,552	0	1,940,361
Vehicles	392,958	0	0	392,958
Infrastructure:				
Sanitary Sewer System	11,377,736	2,916,914	0	14,294,650
Total Capital Assets, Depreciable	<u>\$20,300,928</u>	<u>\$2,985,691</u>	<u>\$0</u>	<u>\$23,286,619</u>

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	Balance 12/31/2008	Additions	Deductions	Balance 12/31/2009
<b>Less Accumulated Depreciation:</b>				
Buildings and Improvements	(\$3,630,002)	(\$156,625)	\$0	(\$3,786,627)
Equipment	(1,254,723)	(160,952)	0	(1,415,675)
Vehicles	(364,939)	(11,465)	0	(376,404)
Infrastructure:				
Sanitary Sewer System	(4,137,333)	(206,983)	0	(4,344,316)
Total Accumulated Depreciation	(9,386,997)	(536,025)	0	(9,923,022)
Total Capital Assets, Depreciable, net	10,913,931	2,449,666	0	13,363,597
<b>Business Type Activities</b>				
<b>Capital Assets, Net</b>	\$14,108,029	\$2,511,039	(\$2,660,180)	\$13,958,888

\* Depreciation expense was charged to governmental functions as follows:

General Government	
Legislative and Executive	\$240,824
Judicial	83,250
Security of Persons and Property	
Police	174,967
Fire	113,010
Public Health Services	3,759
Street Maintenance and Repair	667,011
Sanitation	75,684
Leisure Time Activities	40,955
Total Depreciation Expense	\$1,399,460

### Note 10 - Long-Term Debt

The original issue date, interest rate and original issuance amount for each of the City's debt issues follows:

	Original Issue Date	Interest Rate	Original Issue Amount
<b>Governmental Activities:</b>			
<b>General Obligation Debt Issues:</b>			
Building Improvement	2006	4.30%	\$1,200,000
KeyCorp – Road Improvements	2009	3.60	250,000
<b>Special Assessments</b>			
OPWC Loan – Harbor Heights	2000	0.00	195,647
Mareddy Estates	2002	3.93	150,000
<b>OPWC Loan – West/Lake Avenue Bridge</b>	2009	0.00	699
<b>Business Type Activities:</b>			
Wastewater Plant Renovation	1999	4.35	1,964,178
Equalization Basin	2007	4.20	2,500,000
OPWC - Morton Drive Siphon Improvement	2008	0.00	161,989
OPWC - Michigan Avenue – EQ Basin	2008	0.00	500,000
KeyCorp – Sewer Improvements	2009	3.60	250,000



**City of Ashtabula, Ohio**  
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During 2009 the City completed construction on a one million gallon retention basin. This basin should stop any overflow of sanitary and storm water from flowing into the Ashtabula River. The overflows and backup into household basements only occur during very heavy rain. The City is hopeful that the County will participate in the project and pay twenty percent or approximately \$600,000 towards the equalization basin as our engineers have determined through flow studies that twenty percent of the flow to the City's wastewater treatment plant is from non City users. Ohio Public Works Commission (OPWC) general obligation debt is for the West/Lake Avenues Bridge. The 2008 OPWC loans for the business-type activities are for improvements to areas of the City's sanitary sewer collection system. The 2009 road and sewer improvement bonds are for West Avenue paving and Lake Avenue/West 14<sup>th</sup> Street sewer improvements.

A schedule of changes in bonds and other long-term obligations of the City during 2009 follows:

	Principal Outstanding 12/31/2008	Additions	Deletions	Principal Outstanding 12/31/2009	Amounts Due in One Year
<b>Governmental Activities</b>					
General Obligation Bonds					
4.30% Building Improvement	\$300,796	\$0	\$150,969	\$149,827	\$149,827
3.60% Road Improvements	0	250,000	50,000	200,000	50,000
Total General Obligation Bonds	300,796	250,000	200,969	349,827	199,827
Special Assessments					
OPWC Loan - Harbor Heights	112,498	0	9,783	102,715	9,782
Mareddy Estates	23,984	0	23,984	0	0
Total Special Assessments	136,482	0	33,767	102,715	9,782
OPWC Loan - West/Lake Avenue Bridge	0	699	0	699	699
Claims Payable	284,703	2,339,402	2,355,098	269,007	149,007
Compensated Absences	2,950,575	1,270,642	1,107,451	3,113,766	1,270,643
<i>Total Governmental Activities</i>	<u>\$3,672,556</u>	<u>\$3,860,743</u>	<u>\$3,697,285</u>	<u>\$3,836,014</u>	<u>\$1,629,958</u>
<b>Business Type Activities</b>					
OWDA Loan					
4.35% Wastewater Plant Renovation	\$1,024,045	\$0	\$118,214	\$905,831	\$123,412
EQ Basin Loan					
4.20% Equalization Basin	2,078,727	0	223,997	1,854,730	233,405
OPWC 0% Loan					
Morton Drive Siphon Improvement	161,989	21,670	0	183,659	10,000
OPWC 0% Loan					
Michigan Avenue - EQ Basin	500,000	0	25,000	475,000	25,000
KeyCorp					
3.60% Sewer Improvements	0	250,000	50,000	200,000	50,000
Compensated Absences	363,516	119,571	129,723	353,364	119,571
<i>Total Business Type Activities</i>	<u>\$4,128,277</u>	<u>\$391,241</u>	<u>\$546,934</u>	<u>\$3,972,584</u>	<u>\$561,388</u>

All bonds are secured by the full faith and credit of the City. General obligation bonds are to be repaid from general property taxes levied on all taxable property located within the City. The OPWC loan is secured by the future collection of special assessments. In the event that the benefited property owner would fail to pay the assessment, payment would be made by the City. The amounts due the Ohio Water Development Authority, Ohio Public Works Commission loans, and for the EQ Basin loan are payable solely from sewer revenues. The City has pledged future revenues to repay the five loans. The loans are payable solely from net revenues and are payable through 2029.

**City of Ashtabula, Ohio**  
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Annual principal and interest payments on the loans are expected to require .1 percent of net revenues and 12.1 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$4,105,716. Principal and interest paid for the current year was \$556,917, total net revenues were \$70,012 and total revenues were \$3,629,409. Compensated absences will be paid from the general fund, the code enforcement, community development block grant, food service, sanitation, street maintenance and repair, special revenue funds and wastewater treatment fund. Claims payable will be paid from the internal service funds (See Note 8).

The City's overall legal debt margin was \$24,448,239 at December 31, 2009. Principal and interest requirements to retire OWDA loan, Equalization Basin loan, OPWC loan, general obligation bonds, and building improvements loan at December 31, 2009, are as follows:

Governmental Activities							
	General Obligation Bonds				OPWC	OPWC	Governmental Activities Totals
	Building Improvements		Road Improvements		Loan	Loan	
	Principal	Interest	Principal	Interest	Harbor Htgs	West/Lake Av	
2010	\$149,827	\$2,010	\$50,000	\$7,300	\$9,782	\$699	\$219,618
2011	0	0	50,000	5,475	9,783	0	65,258
2012	0	0	50,000	3,660	9,783	0	63,443
2013	0	0	50,000	1,825	9,782	0	61,607
2014	0	0	0	0	9,782	0	9,782
2015 - 2019	0	0	0	0	48,912	0	48,912
2020 - 2023	0	0	0	0	4,891	0	4,891
Total	<u>\$149,827</u>	<u>\$2,010</u>	<u>\$200,000</u>	<u>\$18,260</u>	<u>\$102,715</u>	<u>\$699</u>	<u>\$473,511</u>

Business Type Activities								Business Type Activities Totals	Total Primary Government
	OWDA Loan		Equalization Basin Loan		Sewer Improvements		OPWC		
	Principal	Interest	Principal	Interest	Principal	Interest	Loans		
2010	\$123,412	\$38,076	\$233,405	\$77,899	\$50,000	\$7,300	\$35,000	\$565,092	\$845,660
2011	128,839	32,649	243,208	68,095	50,000	5,475	35,000	563,266	687,649
2012	134,504	26,984	253,423	57,881	50,000	3,660	35,000	561,452	682,185
2013	140,418	21,069	264,067	47,237	50,000	1,825	35,000	559,616	676,718
2014	146,593	14,895	275,157	36,146	0	0	35,000	507,791	621,223
2015 - 2019	232,065	10,167	585,470	37,138	0	0	175,000	1,039,840	1,088,752
2020 - 2024	0	0	0	0	0	0	175,000	175,000	179,891
2025 - 2029	0	0	0	0	0	0	133,659	133,659	133,659
Total	<u>\$905,831</u>	<u>\$143,840</u>	<u>\$1,854,730</u>	<u>\$324,396</u>	<u>\$200,000</u>	<u>\$18,260</u>	<u>\$658,659</u>	<u>\$4,105,716</u>	<u>\$4,915,737</u>

**Note 11 - Compensated Absences**

All full-time employees of the City earn vacation and sick leave at varying rates depending on length of service. Vacation hours are earned in one year and credited to the employee the following January 1. Vacations are paid as used by employees or paid upon separation from the City. Sick leave is accrued at the rate of 1 1/4 days for each month of service for all full-time employees, except the fire department. The fire department is entitled to 14 hours per month for shift employees and 10 hours per month for "40 hour employees".

Each year the City determines whether a sick leave buy-out option will be offered to employees. This option with maximum buy-out of 160 hours per year allows employees to receive 100 percent payment for any sick leave balance in excess of 960 hours. This sick leave buy-out was not offered in 2009.

**City of Ashtabula, Ohio**  
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Upon retirement from the City all employees, with the exception of Police union employees, receive a lump sum payment for unused sick leave up to one hundred twenty (120) days. Employees of the Police union must have five or more years of service to receive payment for accumulated sick leave. An employee who has accumulated more than 120 days will receive a percentage of the excess based on years of service.

**Note 12 - Leases**

The City, as a lessor, has entered into an agreement to assume the former Dairy Queen Inc. lease by Czap Fowler Limited, dba Hoffman's Pharmacy. The building, owned by the City was razed. The land is being leased to Czap Fowler Ltd for 30 years with five 10-year options to extend the lease. The City is also a lessor of thirteen and one half percent of a building to Keybank National Corporation. The lease with Keybank is for ten years with a five-year extension at Keybank's option, which was exercised in 2008. The following schedule provides an analysis of the leased property at December 31, 2009:

	Czap Fowler Limited, dba Hoffman's Pharmacy	Keybank National Corporation
Land	\$3,415	\$0
Building	0	99,201
Leased property, total value	3,415	99,201
Less: Accumulated Depreciation	0	(21,722)
Leased property, net of depreciation	<u>\$3,415</u>	<u>\$77,479</u>

The following is a schedule by years of minimum future rentals on the operating leases as of December 31, 2009:

Year ending December 31,	Hoffman's Pharmacy	Keybank National Corp
2010	\$7,200	\$150,820
2011	7,200	154,172
2012	7,200	154,172
2013	8,400	154,172
2014	8,400	154,172
2015 - 2019	44,400	882,631
2020 - 2024	50,400	1,015,028
2025 - 2029	56,400	1,167,282
2030 - 2034	62,400	39,080
2035 - 2037	39,600	0
Total minimum lease payments	<u>\$291,600</u>	<u>\$3,871,529</u>

**Note 13 - Defined Benefit Pension Plans**

**A. Ohio Public Employees Retirement System**

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10.0 percent of covered payroll, public safety and law enforcement members contributed 10.1 percent.

The City's contribution rate for 2009 was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.63 percent of covered payroll. For the period January 1 through March 31, a portion of the City's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$515,473, \$365,054, and \$466,045 respectively; 98.88 percent has been contributed for 2009 and 100 percent for 2008 and 2007. There was \$21,199 contributed to the member-directed plan for 2009.

***B. Ohio Police and Fire Pension Fund***

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. The City's contributions to OP&F for police and firefighters were \$372,657 and \$378,570 for the year ended December 31, 2009, \$369,657 and \$378,688 for the year ended December 31, 2008, \$359,795 and \$373,871 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 72.05 percent has been contributed for police and 71.09 percent has been contributed for firefighters for 2009.

**Note 14 – Postemployment Benefits**

***A. Ohio Public Employees Retirement System***

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health coverage. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, state and local government employers contributed at a rate of 14.0 percent of covered payroll (17.63 percent for public safety and law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2009, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent from January 1 through March 31, 2009 and 5.5 percent from April 1 through December 31, 2009 of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$367,012, \$365,054, and \$273,149 respectively; 98.88 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

***B. Police and Firemen's Disability and Pension Fund***

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding policy – OP&F’s post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the Section 115 trust and the 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City’s contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$128,997 and \$106,473 for the year ended December 31, 2009, \$127,958 and \$106,506 for the year ended December 31, 2008, and \$124,544 and \$105,151 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 72.05 percent has been contributed for police and 71.09 percent has been contributed for firefighters for 2009.

## **Note 15 - Contingent Liabilities**

### ***A. Litigation***

The City of Ashtabula is party to several legal proceedings seeking damages. The City management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

There is an issue outstanding as of December 31, 2009 regarding the non-collection of tap-in fees. However, the results of this issue are not yet known. The item is deemed immaterial to the overall correctness of the Financial Statements of the City.

### ***B. Federal and State Grants***

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantor or their representatives. Any liability for reimbursement, which may arise as the result of these audits, is not believed to be material.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

**Note 16 - Related Party Transactions**

The Ashtabula Port Authority, a discretely presented component unit of the City of Ashtabula, receives contributions from the City for salaries for the administration, implementation and supervision of its projects. In 2009, these contributions totaled \$11,725. The City of Ashtabula cosigns for debt that the Ashtabula Port Authority issues and also appoints the board of the Ashtabula Port Authority.

**Note 17 – Contractual Commitments**

At December 31, 2008 the City of Ashtabula had contractual commitments for engineering services with GGJ, Incorporated for \$28,280 for the West/Lake Avenues Bridge Rehab, LJB Incorporated for \$1,590 for professional services for traffic signalization. And a commitment to AAA Pipe Cleaning Corporation for the Siphon Cleaning project for \$14,910.

**Note 18 – Interfund Transfers**

Interfund transfers for the year ended December 31, 2009, consisted of the following:

	Transfer From					Total
	General	Permanent Improvement	Motor Vehicle License Tax	State Highway	Wastewater Treatment	
<u>Transfer To</u>						
Major Funds:						
Street Maintenance and Repair	\$288,700	\$0	\$38,500	\$44,000	\$0	\$371,200
Debt Service	0	237,000			76,500	313,500
Total Major Funds	<u>288,700</u>	<u>237,000</u>	<u>38,500</u>	<u>44,000</u>	<u>76,500</u>	<u>684,700</u>
Other Governmental Funds:						
Food Service	32,000	0	0	0	0	32,000
Walnut Beach	7,500	0	0	0	0	7,500
Total Other Governmental Funds	<u>39,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,500</u>
Total Transfers	<u>\$328,200</u>	<u>\$237,000</u>	<u>\$38,500</u>	<u>\$44,000</u>	<u>\$76,500</u>	<u>\$724,200</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

The City had no transfers that either do not occur on a regular basis or were inconsistent with the purpose of the fund making the transfer.

**Note 19 – Compliance**

The following permanent improvement fund object had expenditures plus encumbrances in excess of appropriations contrary to Section 5705.41 of the Ohio Revised Code.

	Final Appropriations	Expenditures	Excess
Permanent Improvement Fund:			
Capital Outlay	\$1,463,746	\$1,792,564	\$328,818

Although this violation was not corrected by year-end, management has indicated that appropriations will be closely monitored to ensure no future violations.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

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**Note 20 - Ashtabula City Port Authority**

***A. Description of Reporting Entity***

The Ashtabula City Port Authority is a legally separate entity, statutorily created under Section 4582.02 of the Ohio Revised Code, served by a seven-member board of directors appointed by the City Manager with the approval of City Council. Charged with the responsibility of industrial development and the improvement of Ashtabula's interconnecting waterways, the Port Authority is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. The Ashtabula City Port Authority is fiscally dependent on the City and is therefore presented as a component unit of the City (See Note 1).

***B. Summary of Significant Accounting Policies***

The Ashtabula Port Authority's financial information is presented on the statement of net assets and statement of activities using the full accrual basis of accounting and the economic resources measurement focus.

***1. Due to Primary Government***

Payables resulting from transactions between the Ashtabula Port Authority and the primary government are classified as "due to primary government" on the financial statements.

***2. Property, Plant, Equipment and Depreciation***

Capital assets at the Ashtabula Port Authority are capitalized. All capital assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year.

Donated capital assets are recorded at their fair market values as of the date donated. The Ashtabula Port Authority has established a capitalization threshold for capital assets at \$1,000 with the exception of land, as all land is listed regardless of cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Depreciation for the Ashtabula Port Authority is computed over either ten or twenty years.

***C. Deposits and Investments***

The Ashtabula Port Authority follows the same statutory requirements for deposits and investments as the primary government (See Note 6).

At year-end, the carrying amount of the Ashtabula Port Authority's deposits was \$551,315 and the bank balance was \$555,823. Federal Depository Insurance covered the bank balance of \$553,003.

For the purpose of classification under GASB Statement No. 40, the Ashtabula Port Authority did not have any investments at year-end.



**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2009*

**D. Capital Assets**

A summary of the Ashtabula City Port Authority's capital assets at December 31, 2009 follows:

	Balance 12/31/2008	Additions	Deductions	Balance 12/31/2009
<b>Governmental Activities</b>				
Capital Assets, Non-depreciable				
Land	\$1,562,498	\$120,892	(\$3,914)	\$1,679,476
Capital Assets, Depreciable				
Improvements	538,516	0	0	538,516
Less Accumulated Depreciation				
Improvements	(217,022)	(27,926)	0	(244,948)
Total Assets, Depreciable, Net	<u>321,494</u>	<u>(27,926)</u>	<u>0</u>	<u>293,568</u>
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$1,883,992</u>	<u>\$92,966</u>	<u>(\$3,914)</u>	<u>\$1,973,044</u>

**E. Long-term Debt**

On August 30, 2008 Ohio Water Development Authority approved a loan that will enable the Ashtabula City Port Authority to install the waterlines at the City's Industrial Park. The loan is for \$284,000 with an interest rate of 3 percent and semi-annual payments of \$16,542 for ten years. The first payment will be due January 1, 2009. In 2006 the Ashtabula City Port Authority received a State of Ohio Rural Industrial Park loan from the Ohio Department of Development for the City's Industrial Park, in the amount of \$375,000. This loan bears no interest for years one through five with no payments due. Years six through fifteen bear interest at three percent. The City has loaned the Ashtabula City Port Authority money in the amount of \$150,000. As of December 31, 2009, \$59,663 of the City's loan has been repaid leaving a balance of \$90,337.

A schedule of changes in long-term obligations of the Port Authority during 2009 follows:

	Principle Outstanding 12/31/2008	Additions	Deletions	Principle Outstanding 12/31/2009	Amounts Due in One Year
<b>Due to Primary Government:</b>					
City of Ashtabula - Loan	\$97,484	\$0	\$7,147	\$90,337	\$7,503
<b>Other Long-Term Debt:</b>					
Industrial Park Loan	375,000	0	0	375,000	0
OWDA Rural Industrial Park	276,585	0	25,664	250,921	25,496
<i>Total Other Long-Term Debt</i>	<u>651,585</u>	<u>0</u>	<u>25,664</u>	<u>625,921</u>	<u>25,496</u>
<i>Total Component Unit Debt</i>	<u>\$749,069</u>	<u>\$0</u>	<u>\$32,811</u>	<u>\$716,258</u>	<u>\$32,999</u>

Principle and interest requirements to retire City of Ashtabula loan, Industrial Park loan and OWDA loan are as follows:

	City of Ashtabula - Loan		Industrial Park Loan		Ohio Water Development Authority Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$7,503	\$3,885	\$0	\$0	\$25,496	\$7,588
2011	7,847	3,540	21,657	7,311	25,266	7,817
2012	8,208	3,180	33,308	10,145	26,060	7,023
2013	8,585	2,803	34,321	9,131	26,878	6,205
2014	8,979	2,408	35,364	8,088	27,721	5,363
2015-2019	49,215	4,904	193,627	23,635	119,500	11,808
2020-2021	0	0	56,723	1,213	0	0
Total	<u>\$90,337</u>	<u>\$20,720</u>	<u>\$375,000</u>	<u>\$59,523</u>	<u>\$250,921</u>	<u>\$45,804</u>

## **Combining Statements and Individual Fund Schedules**

### **Combining Statements - Nonmajor Governmental Funds**

#### *Nonmajor Special Revenue Funds*

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

*Code Enforcement Fund* - To account for rental unit inspection fees collected, ensuring each unit meets minimum standards for health and safety.

*Fire Pension Fund* - To accumulate property taxes levied for the payment of the current and accrued liability for fire disability and pension benefits.

*Food Service Fund* - To account for food service establishment inspection, license and permit fees collected by the City.

*Indigent Alcohol Fund* - To account for fees collected by the municipal court from persons' whose driver's license or permit was suspended for driving under the influence of alcohol.

*Law Enforcement Trust Fund* - To account for the custody of proceeds and property subject to seizure/receipt/expenditure from court ordered forfeiture of criminal assets and mandatory drug fines.

*Marina Fund* - To account for monies received from permits and licenses issued in connection with the operation of the marina.

*Motor Vehicle License Tax Fund* - To account for resources received as a result of the County's levied motor vehicle license tax.

*Municipal Probation Services Fund* - To account for resources received from municipal probation.

*Police Pension Fund* - To accumulate property taxes levied for the payment of the current and accrued liability for police disability and pension benefits.

(continued)

**Combining Statements - Nonmajor Governmental Funds (continued)**

***Nonmajor Special Revenue Funds***

*Public Health Nursing Fund* - To account for monies received from residents who utilize the services of the home nursing program sponsored by the Department of Health of the City.

*State Highway Fund* - To account for the portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

*Walnut Beach Fund* - To account for revenue received from concession stand operations.

***Nonmajor Capital Projects Fund***

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

*Construction Fund* – To account for financial services to be used for the acquisition and construction of the new Municipal building.

**City of Ashtabula, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2009*

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$83,216	\$243,987	\$976	\$27,213
Receivables:				
Property Taxes	0	334,976	0	0
Accounts	34,632	0	0	0
Due from Other Governments	0	18,207	0	0
Prepaid Items	0	0	261	0
<i>Total Assets</i>	<u>\$117,848</u>	<u>\$597,170</u>	<u>\$1,237</u>	<u>\$27,213</u>
<b>Liabilities and Fund Balances</b>				
Accounts Payable	\$21	\$0	\$121	\$0
Contracts Payable	5,306	0	0	0
Accrued Wages	0	0	429	0
Due to Other Governments	0	109,438	456	0
Deferred Revenue	34,632	353,183	0	0
Deposits Held and Due to Others	0	0	0	0
<i>Total Liabilities</i>	<u>39,959</u>	<u>462,621</u>	<u>1,006</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	1,806	139,341	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds (Deficit)	76,083	(4,792)	231	27,213
Capital Projects Fund	0	0	0	0
<i>Total Fund Balances</i>	<u>77,889</u>	<u>134,549</u>	<u>231</u>	<u>27,213</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$117,848</u>	<u>\$597,170</u>	<u>\$1,237</u>	<u>\$27,213</u>

(continued)

**City of Ashtabula, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds (continued)*  
*December 31, 2009*

	Law Enforcement Trust	Marina	Motor Vehicle License Tax	Municipal Probation Services	Police Pension
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$21,563	\$3,980	\$193	\$115,483	\$292,413
Receivables:					
Property Taxes	0	0	0	0	334,976
Accounts	0	0	0	0	0
Due from Other Governments	0	0	17,664	0	18,207
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$21,563</u>	<u>\$3,980</u>	<u>\$17,857</u>	<u>\$115,483</u>	<u>\$645,596</u>
<b>Liabilities and Fund Balances</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0	0
Accrued Wages	0	0	0	0	0
Due to Other Governments	0	0	0	0	104,176
Deferred Revenue	0	0	15,030	0	353,183
Deposits Held and Due to Others	0	0	0	1,483	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>15,030</u>	<u>1,483</u>	<u>457,359</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	0	0	0	0	143,861
Unreserved, Undesignated, Reported in:					
Special Revenue Funds (Deficit)	21,563	3,980	2,827	114,000	44,376
Capital Projects Fund	0	0	0	0	0
<i>Total Fund Balances</i>	<u>21,563</u>	<u>3,980</u>	<u>2,827</u>	<u>114,000</u>	<u>188,237</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$21,563</u>	<u>\$3,980</u>	<u>\$17,857</u>	<u>\$115,483</u>	<u>\$645,596</u>

<u>Public Health Nursing</u>	<u>State Highway</u>	<u>Walnut Beach</u>	<u>Total Nonmajor Special Revenue Funds</u>	<u>Nonmajor Construction Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$53,496	\$4,029	\$8,435	\$854,984	\$3,311	\$858,295
0	0	0	669,952	0	669,952
20	0	0	34,652	0	34,652
0	22,188	0	76,266	0	76,266
360	0	0	621	0	621
<u>\$53,876</u>	<u>\$26,217</u>	<u>\$8,435</u>	<u>\$1,636,475</u>	<u>\$3,311</u>	<u>\$1,639,786</u>
\$0	\$0	\$0	\$142	\$0	\$142
0	0	0	5,306	0	5,306
28	0	0	457	0	457
4	0	0	214,074	0	214,074
0	18,512	0	774,540	0	774,540
0	0	0	1,483	0	1,483
32	18,512	0	996,002	0	996,002
5,305	0	0	290,313	0	290,313
48,539	7,705	8,435	350,160	0	350,160
0	0	0	0	3,311	3,311
<u>53,844</u>	<u>7,705</u>	<u>8,435</u>	<u>640,473</u>	<u>3,311</u>	<u>643,784</u>
<u>\$53,876</u>	<u>\$26,217</u>	<u>\$8,435</u>	<u>\$1,636,475</u>	<u>\$3,311</u>	<u>\$1,639,786</u>

**City of Ashtabula, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2009*

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
<b>Revenues</b>				
Property Taxes	\$0	\$301,009	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	151,661	0	44,868	0
Fines and Forfeitures	0	0	0	16,507
Intergovernmental	0	33,962	1,772	0
Interest	0	0	0	0
<i>Total Revenues</i>	<u>151,661</u>	<u>334,971</u>	<u>46,640</u>	<u>16,507</u>
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System	0	0	0	5,824
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	373,631	0	0
Public Health Services	0	0	78,997	0
Street Maintenance and Repairs	0	0	0	0
Housing and Community Development	145,578	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>145,578</u>	<u>373,631</u>	<u>78,997</u>	<u>5,824</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,083</u>	<u>(38,660)</u>	<u>(32,357)</u>	<u>10,683</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	32,000	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>32,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	6,083	(38,660)	(357)	10,683
<i>Fund Balances Beginning of Year</i>	<u>71,806</u>	<u>173,209</u>	<u>588</u>	<u>16,530</u>

Law Enforcement Trust	Marina	Motor Vehicle License Tax	Municipal Probation Services	Police Pension	Public Health Nursing
\$0	\$0	\$0	\$0	\$301,009	\$0
0	0	0	0	0	42,772
0	11,725	0	0	0	0
29,523	0	0	45,928	0	0
0	0	38,457	0	33,962	10,826
0	0	0	0	0	0
<u>29,523</u>	<u>11,725</u>	<u>38,457</u>	<u>45,928</u>	<u>334,971</u>	<u>53,598</u>
0	0	0	41,564	0	0
8,478	0	0	0	362,730	0
0	0	0	0	0	0
0	0	0	0	0	48,564
0	0	0	0	0	0
0	0	0	0	0	0
0	11,725	0	0	0	0
<u>8,478</u>	<u>11,725</u>	<u>0</u>	<u>41,564</u>	<u>362,730</u>	<u>48,564</u>
<u>21,045</u>	<u>0</u>	<u>38,457</u>	<u>4,364</u>	<u>(27,759)</u>	<u>5,034</u>
0	0	0	0	0	0
0	0	(38,500)	0	0	0
<u>0</u>	<u>0</u>	<u>(38,500)</u>	<u>0</u>	<u>0</u>	<u>0</u>
21,045	0	(43)	4,364	(27,759)	5,034
<u>518</u>	<u>3,980</u>	<u>2,870</u>	<u>109,636</u>	<u>215,996</u>	<u>48,810</u>



**City of Ashtabula, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds (continued)*  
*For the Year Ended December 31, 2009*

	State Highway	Walnut Beach	Total Nonmajor Special Revenue Funds	Nonmajor Construction Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$602,018	\$0	\$602,018
Charges for Services	0	0	42,772	0	42,772
Licenses and Permits	0	0	208,254	0	208,254
Fines and Forfeitures	0	0	91,958	0	91,958
Intergovernmental	56,094	0	175,073	0	175,073
Interest	1,433	0	1,433	0	1,433
<i>Total Revenues</i>	<u>57,527</u>	<u>0</u>	<u>1,121,508</u>	<u>0</u>	<u>1,121,508</u>
<b>Expenditures</b>					
Current:					
General Government:					
Judicial System	0	0	47,388	0	47,388
Security of Persons and Property:					
Police	0	0	371,208	0	371,208
Fire	0	0	373,631	0	373,631
Public Health Services	0	0	127,561	0	127,561
Street Maintenance and Repairs	14,400	0	14,400	0	14,400
Housing and Community Development	0	0	145,578	0	145,578
Leisure Time Activities	0	5,113	16,838	0	16,838
<i>Total Expenditures</i>	<u>14,400</u>	<u>5,113</u>	<u>1,096,604</u>	<u>0</u>	<u>1,096,604</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>43,127</u>	<u>(5,113)</u>	<u>24,904</u>	<u>0</u>	<u>24,904</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	7,500	39,500	0	39,500
Transfers Out	(44,000)	0	(82,500)	0	(82,500)
<i>Total Other Financing Sources and Uses</i>	<u>(44,000)</u>	<u>7,500</u>	<u>(43,000)</u>	<u>0</u>	<u>(43,000)</u>
<i>Net Change in Fund Balances</i>	(873)	2,387	(18,096)	0	(18,096)
<i>Fund Balances Beginning of Year</i>	<u>8,578</u>	<u>6,048</u>	<u>658,569</u>	<u>3,311</u>	<u>661,880</u>

### **Combining Statements - Internal Service Funds**

To account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

*Self Insurance Fund* - To account for a medical benefit self insurance program for employees of the City. Monthly fees are paid and any balance on hand is held until used.

*Workers' Compensation Fund* - To account for the revenues used for the purpose of providing workers' compensation benefits to employees.

**City of Ashtabula, Ohio**  
*Combining Statement of Fund Net Assets*  
*Internal Service Funds*  
*December 31, 2009*

	Self Insurance	Workers' Compensation	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$0	\$894,143	\$894,143
Accounts Receivable	11,160	0	11,160
Interfund Receivable	0	493,688	493,688
Prepaid Items	0	10,626	10,626
<i>Total Assets</i>	<u>11,160</u>	<u>1,398,457</u>	<u>1,409,617</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	0	485	485
Interfund Payable	493,688	0	493,688
Due to Other Governments	0	170,192	170,192
Claims Payable	7,913	141,094	149,007
<i>Total Current Liabilities</i>	<u>501,601</u>	<u>311,771</u>	<u>813,372</u>
Long-Term Liabilities:			
Claims Payable	<u>0</u>	<u>120,000</u>	<u>120,000</u>
<i>Total Liabilities</i>	<u>501,601</u>	<u>431,771</u>	<u>933,372</u>
<b>Net Assets</b>			
Unrestricted (Deficit)	<u>(490,441)</u>	<u>966,686</u>	<u>476,245</u>
<i>Total Net Assets</i>	<u>(\$490,441)</u>	<u>\$966,686</u>	<u>\$476,245</u>

**City of Ashtabula, Ohio**  
*Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2009*

	Self Insurance	Workers' Compensation	Total
<b>Revenues</b>			
Charges for Services	\$1,903,014	\$110,000	\$2,013,014
Miscellaneous	0	5,243	5,243
<i>Total Revenues</i>	<u>1,903,014</u>	<u>115,243</u>	<u>2,018,257</u>
<b>Operating Expenses</b>			
Contractual Services	437,073	48,714	485,787
Claims	2,135,700	203,702	2,339,402
<i>Total Operating Expenses</i>	<u>2,572,773</u>	<u>252,416</u>	<u>2,825,189</u>
<i>Change in Net Assets</i>	(669,759)	(137,173)	(806,932)
<i>Net Assets Beginning of Year</i>	<u>179,318</u>	<u>1,103,859</u>	<u>1,283,177</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>(\$490,441)</u></u>	<u><u>\$966,686</u></u>	<u><u>\$476,245</u></u>

**City of Ashtabula, Ohio**  
*Combining Statement of Cash Flows*  
*Internal Service Funds*  
For the Year Ended December 31, 2009

	Self Insurance	Workers' Compensation	Total
<b><i>Increase (Decrease) In Cash and Cash Equivalents</i></b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Other Funds	\$1,891,854	\$115,243	\$2,007,097
Cash Received from Other Non-Operating Sources	493,688	0	493,688
Cash Payments to Suppliers for Goods and Services	(437,073)	(27,833)	(464,906)
Cash Payments for Claims	(2,202,588)	(152,510)	(2,355,098)
Other Non Operating Expenses	0	(493,688)	(493,688)
<i>Net Decrease In Cash and Cash Equivalents</i>	(254,119)	(558,788)	(812,907)
<i>Cash and Cash Equivalents Beginning of Year</i>	254,119	1,452,931	1,707,050
<i>Cash and Cash Equivalents End of Year</i>	\$0	\$894,143	\$894,143
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>			
<i>Operating Loss</i>	(\$669,759)	(\$137,173)	(\$806,932)
(Increase) Decrease in Assets:			
Accounts Receivable	(11,160)	0	(11,160)
Interfund Receivable	0	(493,688)	(493,688)
Prepaid Items	0	(10,626)	(10,626)
Increase (Decrease) in Liabilities:			
Accounts Payable	0	328	328
Interfund Payable	493,688		493,688
Due to Other Governments	0	31,179	31,179
Claims Payable	(66,888)	51,192	(15,696)
<i>Net Cash Used for Operating Activities</i>	(\$254,119)	(\$558,788)	(\$812,907)

## **Combining Statement - Agency Funds**

To account for assets held by the City as an agent for individuals, other governmental units and/or other funds. These funds are custodial in nature and do not involve measurement of operations.

*Fire Deposits Fund* - To account for deposits made by property owners or insurance companies to ensure that fire damaged buildings are restored or razed in compliance with the City building code.

*Law Library Fund* – To accumulate monies collected from state patrol fines that are then distributed to the County law library.

*Street Deposits Fund* - To account for deposits from contractors or vendors held by the City to ensure compliance with various City ordinances regarding development within the City.

**City of Ashtabula, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2009*

	Balance 1/1/2009	Additions	Reductions	Balance 12/31/2009
<b><i>Fire Deposits</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$43,961	\$21,740	\$41,930	\$23,771
<b>Liabilities</b>				
Deposits Held and Due to Others	\$43,961	\$21,740	\$41,930	\$23,771
<b><i>Law Library</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$0	\$34,164	\$32,355	\$1,809
<b>Liabilities</b>				
Due to Other Governments	\$0	\$34,164	\$32,355	\$1,809
<b><i>Street Deposits</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$555	\$0	\$0	\$555
<b>Liabilities</b>				
Deposits Held and Due to Others	\$555	\$0	\$0	\$555
<b><i>Total Agency</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$44,516	\$55,904	\$74,285	\$26,135
<b>Liabilities</b>				
Due to Other Governments	\$0	\$34,164	\$32,355	\$1,809
Deposits Held and Due to Others	44,516	21,740	41,930	24,326
<i>Total Liabilities</i>	\$44,516	\$55,904	\$74,285	\$26,135

**Individual Fund Schedules of Revenues, Expenditures/Expenses  
and Changes in Fund Balances/Equity - Budget (Non-GAAP Basis) and  
Actual**



**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$1,071,500	\$1,071,500	\$1,086,339	\$14,839
Municipal Income Tax	5,972,000	5,921,500	5,622,743	(298,757)
Charges for Services	164,000	164,000	143,238	(20,762)
Licenses and Permits	102,271	102,271	87,024	(15,247)
Fines and Forfeitures	790,175	790,175	710,781	(79,394)
Intergovernmental	1,836,076	1,622,838	1,520,094	(102,744)
Interest	103,000	103,000	3,031	(99,969)
Rentals	72,200	72,200	151,877	79,677
Other	237,249	237,249	239,767	2,518
<i>Total Revenues</i>	10,348,471	10,084,733	9,564,894	(519,839)
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Council:				
Personal Services	161,649	160,057	137,539	22,518
Materials and Supplies	4,713	3,713	2,257	1,456
Total Council	166,362	163,770	139,796	23,974
Administration:				
Personal Services	198,620	186,326	173,996	12,330
Materials and Supplies	4,713	3,713	3,620	93
Contractual Services	2,500	2,500	1,900	600
Total Administration	205,833	192,539	179,516	13,023
Auditor:				
Personal Services	269,284	243,645	225,313	18,332
Materials and Supplies	13,900	11,100	10,201	899
Contractual Services	4,000	4,000	4,000	0
Total Auditor	287,184	258,745	239,514	19,231
Treasurer:				
Personal Services	64,119	59,841	56,691	3,150
Materials and Supplies	3,500	2,800	2,768	32
Total Treasurer	\$67,619	\$62,641	\$59,459	\$3,182

(continued)

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
City Income Tax:				
Personal Services	\$193,422	\$180,899	\$170,573	\$10,326
Materials and Supplies	21,874	22,174	20,310	1,864
Total City Income Tax	<u>215,296</u>	<u>203,073</u>	<u>190,883</u>	<u>12,190</u>
Solicitor:				
Personal Services	307,531	286,423	256,660	29,763
Materials and Supplies	8,500	6,800	4,204	2,596
Total Solicitor	<u>316,031</u>	<u>293,223</u>	<u>260,864</u>	<u>32,359</u>
Motor Maintenance:				
Personal Services	191,351	174,681	162,260	12,421
Materials and Supplies	16,000	14,800	12,815	1,985
Total Motor Maintenance	<u>207,351</u>	<u>189,481</u>	<u>175,075</u>	<u>14,406</u>
Engineering:				
Personal Services	190,095	112,429	105,237	7,192
Materials and Supplies	24,520	20,320	17,131	3,189
Contractual Services	1,000	1,000	880	120
Total Engineering	<u>215,615</u>	<u>133,749</u>	<u>123,248</u>	<u>10,501</u>
Affirmative Action:				
Personal Services	2,547	2,587	2,556	31
Materials and Supplies	250	160	0	160
Total Affirmative Action	<u>2,797</u>	<u>2,747</u>	<u>2,556</u>	<u>191</u>
County Auditor Deductions:				
Contractual Services	147,850	150,350	144,244	6,106
General Services:				
Street and Viaduct Lighting	370,500	416,760	416,059	701
Legal Advertising	5,500	5,500	5,000	500
Photocopy Machine	1,950	1,950	1,393	557
Bus Subsidy	31,000	31,000	31,000	0
Indigent Burials	2,000	2,000	2,000	0
Settlement of Claims	108,500	108,500	105,000	3,500
Membership Fees	7,600	7,600	7,585	15
Visitors Guide	1,250	1,250	1,005	245
Bank Fees	12,000	12,000	7,702	4,298
Total General Services	<u>\$540,300</u>	<u>\$586,560</u>	<u>\$576,744</u>	<u>\$9,816</u>

(continued)

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Civil Service:				
Personal Services	\$12,134	\$12,576	\$12,093	\$483
Materials and Supplies	8,404	6,723	6,635	88
Total Civil Service	20,538	19,299	18,728	571
Lands and Buildings:				
Personal Services	176,944	147,928	140,025	7,903
Materials and Supplies	86,900	73,300	71,679	1,621
Contractual Services	312,940	306,250	267,521	38,729
Total Lands and Buildings	576,784	527,478	479,225	48,253
Systems Analyst:				
Personal Services	86,389	86,111	74,718	11,393
Materials and Supplies	6,000	4,800	4,681	119
Total Systems Analyst	92,389	90,911	79,399	11,512
Water Pollution:				
Personal Services	2,589	2,589	2,408	181
Total Legislative and Executive	3,064,538	2,877,155	2,671,659	205,496
Judicial System:				
Municipal Court/Probation:				
Personal Services	921,772	943,350	917,592	25,758
Materials and Supplies	67,538	67,538	64,164	3,374
Contractual Services	20,500	20,500	18,399	2,101
Total Judicial System	1,009,810	1,031,388	1,000,155	31,233
Total General Government	4,074,348	3,908,543	3,671,814	236,729
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,914,686	2,922,857	2,828,022	94,835
Materials and Supplies	282,985	228,185	226,515	1,670
Contractual Services	17,000	17,000	11,308	5,692
Total Police	\$3,214,671	\$3,168,042	\$3,065,845	\$102,197

(continued)

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire:				
Fire Prevention:				
Personal Services	\$2,317,544	\$2,333,560	\$2,236,482	\$97,078
Materials and Supplies	56,484	22,884	21,805	1,079
Contractual Services	47,500	47,500	45,292	2,208
Total Fire	2,421,528	2,403,944	2,303,579	100,365
Total Security of Persons and Property	5,636,199	5,571,986	5,369,424	202,562
Public Health Services:				
Health:				
Personal Services	168,358	190,939	187,266	3,673
Materials and Supplies	4,900	3,920	3,860	60
Contractual Services	47,500	47,500	32,191	15,309
Total Public Health Services	220,758	242,359	223,317	19,042
Street Maintenance and Repairs:				
Street:				
Personal Services	3,756	12,892	9,363	3,529
Housing and Community Development:				
Housing Inspection:				
Personal Services	25,794	25,239	20,752	4,487
Sanitation Services:				
Sanitation:				
Personal Services	5,770	48,799	33,671	15,128
Leisure Time Activities:				
Recreation:				
Materials and Supplies	22,000	22,000	22,000	0
<i>Total Expenditures</i>	<i>\$9,988,625</i>	<i>\$9,831,818</i>	<i>\$9,350,341</i>	<i>\$481,477</i>

(continued)

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Excess of Revenues Over Expenditures</i>	\$359,846	\$252,915	\$214,553	(\$38,362)
<b>Other Financing Uses</b>				
Transfers Out	<u>(404,500)</u>	<u>(338,200)</u>	<u>(328,200)</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	(44,654)	(85,285)	(113,647)	(28,362)
<i>Fund Balance Beginning of Year</i>	158,862	158,862	158,862	0
Prior Year Encumbrances Appropriated	<u>44,942</u>	<u>44,942</u>	<u>44,942</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$159,150</u>	<u>\$118,519</u>	<u>\$90,157</u>	<u>(\$28,362)</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Development Block Grant Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$1,075,976	\$2,634,976	\$489,776	(\$2,145,200)
Interest	1,335	1,335	303	(1,032)
<i>Total Revenues</i>	<u>1,077,311</u>	<u>2,636,311</u>	<u>490,079</u>	<u>(2,146,232)</u>
<b>Expenditures</b>				
Current:				
Housing and Community Development:				
Community Development Block Grant:				
Personal Services	67,300	194,300	59,952	134,348
Materials and Supplies	29,872	29,872	9,014	20,858
Contractual Services	951,608	1,676,608	634,119	1,042,489
<i>Total Expenditures</i>	<u>1,048,780</u>	<u>1,900,780</u>	<u>703,085</u>	<u>1,197,695</u>
<i>Net Change in Fund Balance</i>	28,531	735,531	(213,006)	(948,537)
<i>Fund Balance Beginning of Year</i>	70,015	70,015	70,015	0
Prior Year Encumbrances Appropriated	<u>150,504</u>	<u>150,504</u>	<u>150,504</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$249,050</u>	<u>\$956,050</u>	<u>\$7,513</u>	<u>(\$948,537)</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sanitation Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$1,706,038	\$1,706,038	\$1,780,461	\$74,423
Intergovernmental	46,473	46,473	40,000	(6,473)
Other	25,000	25,000	6,056	(18,944)
<i>Total Revenues</i>	<u>1,777,511</u>	<u>1,777,511</u>	<u>1,826,517</u>	<u>49,006</u>
<b>Expenditures</b>				
Current:				
Sanitation Services:				
Sanitation:				
Personal Services	1,047,461	1,036,861	1,030,021	6,840
Materials and Supplies	175,000	169,000	153,010	15,990
Contractual Services	562,000	560,600	537,542	23,058
<i>Total Expenditures</i>	<u>1,784,461</u>	<u>1,766,461</u>	<u>1,720,573</u>	<u>45,888</u>
<i>Net Change in Fund Balance</i>	(6,950)	11,050	105,944	94,894
<i>Fund Balance Beginning of Year</i>	9,789	9,789	9,789	0
Prior Year Encumbrances Appropriated	6,950	6,950	6,950	0
<i>Fund Balance End of Year</i>	<u>\$9,789</u>	<u>\$27,789</u>	<u>\$122,683</u>	<u>\$94,894</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Maintenance and Repair Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$0	\$0	\$13,100	\$13,100
Intergovernmental	835,000	835,000	770,481	(64,519)
Interest	35,000	35,000	6,497	(28,503)
Other	25,000	25,000	0	(25,000)
<i>Total Revenues</i>	<u>895,000</u>	<u>895,000</u>	<u>790,078</u>	<u>(104,922)</u>
<b>Expenditures</b>				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	987,721	911,012	864,648	46,364
Materials and Supplies	331,550	315,459	288,993	26,466
Contractual Services	35,000	41,500	40,410	1,090
<i>Total Expenditures</i>	<u>1,354,271</u>	<u>1,267,971</u>	<u>1,194,051</u>	<u>73,920</u>
<i>Excess of Revenues Under Expenditures</i>	(459,271)	(372,971)	(403,973)	(31,002)
<b>Other Financing Sources</b>				
Transfers In	450,000	383,700	371,200	(12,500)
<i>Net Change in Fund Balance</i>	(9,271)	10,729	(32,773)	(43,502)
<i>Fund Balance Beginning of Year</i>	51,001	51,001	51,001	0
Prior Year Encumbrances Appropriated	9,271	9,271	9,271	0
<i>Fund Balance End of Year</i>	<u>\$51,001</u>	<u>\$71,001</u>	<u>\$27,499</u>	<u>(\$43,502)</u>



**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Debt Service Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$800	\$800	\$0	(\$800)
Intergovernmental	11,000	11,000	0	(11,000)
Special Assessments	36,300	36,300	35,975	(325)
<i>Total Revenues</i>	<u>48,100</u>	<u>48,100</u>	<u>35,975</u>	<u>(12,125)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Bond Retirement:				
Contractual Services	1,600	1,600	1,048	552
Total General Government	<u>1,600</u>	<u>1,600</u>	<u>1,048</u>	<u>552</u>
Debt Service:				
Principal Retirement	293,600	293,600	234,736	58,864
Interest and Fiscal Charges	55,200	55,200	27,440	27,760
Total Debt Service	<u>348,800</u>	<u>348,800</u>	<u>262,176</u>	<u>86,624</u>
<i>Total Expenditures</i>	<u>350,400</u>	<u>350,400</u>	<u>263,224</u>	<u>87,176</u>
<i>Excess of Revenues Under Expenditures</i>	(302,300)	(302,300)	(227,249)	75,051
<b>Other Financing Sources</b>				
Transfers - In	313,500	313,500	313,500	0
<i>Net Change in Fund Balance</i>	11,200	11,200	86,251	75,051
<i>Fund Balance Beginning of Year</i>	<u>36,696</u>	<u>36,696</u>	<u>36,696</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$47,896</u>	<u>\$47,896</u>	<u>\$122,947</u>	<u>\$75,051</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$465,000	\$465,000	\$463,093	(\$1,907)
Municipal Income Tax	655,000	655,000	634,906	(20,094)
Fines and Forfeitures	36,000	36,000	40,813	4,813
Intergovernmental	62,500	62,500	459,931	397,431
Interest	0	0	308	308
Rentals	68,000	68,000	557	(67,443)
<i>Total Revenues</i>	<u>1,286,500</u>	<u>1,286,500</u>	<u>1,599,608</u>	<u>313,108</u>
<b>Expenditures</b>				
Capital Outlay:				
Materials and Supplies	137,629	125,629	124,985	644
Contractual Services	64,990	64,990	64,677	313
Capital Outlay	1,304,459	1,463,746	1,792,564	(328,818)
<i>Total Expenditures</i>	<u>1,507,078</u>	<u>1,654,365</u>	<u>1,982,226</u>	<u>(327,861)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(220,578)</u>	<u>(367,865)</u>	<u>(382,618)</u>	<u>(14,753)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	0	0	3,975	3,975
Proceeds of Loan	0	0	111,172	111,172
Transfers Out	(237,000)	(237,000)	(237,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(237,000)</u>	<u>(237,000)</u>	<u>(121,853)</u>	<u>115,147</u>
<i>Net Change in Fund Balance</i>	(457,578)	(604,865)	(504,471)	100,394
<i>Fund Balance Beginning of Year</i>	211,003	211,003	211,003	0
Prior Year Encumbrances Appropriated	457,578	457,578	457,578	0
<i>Fund Balance End of Year</i>	<u>\$211,003</u>	<u>\$63,716</u>	<u>\$164,110</u>	<u>\$100,394</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Wastewater Treatment Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$3,812,000	\$3,932,800	\$3,598,829	(\$333,971)
Tap-In Fees	100,000	200,000	225,675	25,675
<i>Total Revenues</i>	<u>3,912,000</u>	<u>4,132,800</u>	<u>3,824,504</u>	<u>(308,296)</u>
<b>Expenses</b>				
Personal Services	1,783,029	2,219,629	2,190,808	28,821
Contractual Services	668,998	708,998	652,053	56,945
Materials and Supplies	434,540	541,540	504,750	36,790
Capital Outlay	726,879	661,879	445,952	215,927
Debt Service:				
Principal Retirement	398,000	418,250	417,211	1,039
Interest and Fiscal Charges	132,000	140,875	139,706	1,169
<i>Total Expenses</i>	<u>4,143,446</u>	<u>4,691,171</u>	<u>4,350,480</u>	<u>340,691</u>
<i>Excess of Revenues Under Expenses</i>	(231,446)	(558,371)	(525,976)	32,395
<b>Other Financing Uses</b>				
Transfers Out	(76,500)	(76,500)	(76,500)	0
<i>Net Change in Fund Equity</i>	(307,946)	(634,871)	(602,476)	32,395
<i>Fund Equity Beginning of Year</i>	483,075	483,075	483,075	0
Prior Year Encumbrances Appropriated	307,947	307,947	307,947	0
<i>Fund Equity End of Year</i>	<u>\$483,076</u>	<u>\$156,151</u>	<u>\$188,546</u>	<u>\$32,395</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Code Enforcement Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Licenses and Permits	<u>\$170,779</u>	<u>\$170,779</u>	<u>\$151,661</u>	<u>(\$19,118)</u>
<b>Expenditures</b>				
Current:				
Housing and Community Development:				
Code Enforcement:				
Personal Services	178,059	160,059	123,199	36,860
Materials and Supplies	2,000	10,000	10,000	0
Contractual Services	<u>2,000</u>	<u>12,000</u>	<u>9,041</u>	<u>2,959</u>
<i>Total Expenditures</i>	<u>182,059</u>	<u>182,059</u>	<u>142,240</u>	<u>39,819</u>
<i>Net Change in Fund Balance</i>	(11,280)	(11,280)	9,421	20,701
<i>Fund Balance Beginning of Year</i>	60,709	60,709	60,709	0
Prior Year Encumbrances Appropriated	<u>11,280</u>	<u>11,280</u>	<u>11,280</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$60,709</u></u>	<u><u>\$60,709</u></u>	<u><u>\$81,410</u></u>	<u><u>\$20,701</u></u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*FEMA Grant Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$10,000	\$10,000	\$0	(\$10,000)
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	10,000	10,000	0	(10,000)
<b>Other Financing Uses</b>				
Transfers Out	(10,000)	(10,000)	0	10,000
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$293,500	\$293,500	\$301,009	\$7,509
Intergovernmental	90,500	90,500	33,962	(56,538)
<i>Total Revenues</i>	<u>384,000</u>	<u>384,000</u>	<u>334,971</u>	<u>(49,029)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire:				
Fire Prevention:				
Personal Services	525,410	525,410	510,067	15,343
Contractual Services	7,000	7,000	5,816	1,184
<i>Total Expenditures</i>	<u>532,410</u>	<u>532,410</u>	<u>515,883</u>	<u>16,527</u>
<i>Excess of Revenues Under Expenditures</i>	(148,410)	(148,410)	(180,912)	(32,502)
<b>Other Financing Sources</b>				
Transfers In	25,000	25,000	0	(25,000)
<i>Net Change in Fund Balance</i>	(123,410)	(123,410)	(180,912)	(57,502)
<i>Fund Balance Beginning of Year</i>	162,149	162,149	162,149	0
Prior Year Encumbrances Appropriated	<u>123,409</u>	<u>123,409</u>	<u>123,409</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$162,148</u></u>	<u><u>\$162,148</u></u>	<u><u>\$104,646</u></u>	<u><u>(\$57,502)</u></u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Food Service Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Licenses and Permits	\$48,000	\$48,000	\$44,868	(\$3,132)
Intergovernmental	4,000	3,294	1,772	(1,522)
Other	3,071	3,071	0	(3,071)
<b>Total Revenues</b>	<u>55,071</u>	<u>54,365</u>	<u>46,640</u>	<u>(7,725)</u>
<b>Expenditures</b>				
Current:				
Public Health Services:				
Board of Health:				
Personal Services	75,177	75,177	70,603	4,574
Materials and Supplies	5,550	5,550	5,393	157
Contractual Services	6,900	6,194	5,518	676
<b>Total Expenditures</b>	<u>87,627</u>	<u>86,921</u>	<u>81,514</u>	<u>5,407</u>
<b>Excess of Revenues Under Expenditures</b>	(32,556)	(32,556)	(34,874)	(2,318)
<b>Other Financing Sources</b>				
Transfers In	32,000	32,000	32,000	0
<b>Net Change in Fund Balance</b>	(556)	(556)	(2,874)	(2,318)
<b>Fund Balance Beginning of Year</b>	3,294	3,294	3,294	0
Prior Year Encumbrances Appropriated	556	556	556	0
<b>Fund Balance End of Year</b>	<u>\$3,294</u>	<u>\$3,294</u>	<u>\$976</u>	<u>(\$2,318)</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Indigent Alcohol Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$22,000	\$22,000	\$16,029	(\$5,971)
Intergovernmental	5,000	5,000	0	(5,000)
<b>Total Revenues</b>	<b>27,000</b>	<b>27,000</b>	<b>16,029</b>	<b>(10,971)</b>
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System:				
Indigent Alcohol:				
Materials and Supplies	27,000	27,000	5,824	21,176
<i>Net Change in Fund Balance</i>	0	0	10,205	10,205
<i>Fund Balance Beginning of Year</i>	16,180	16,180	16,180	0
<i>Fund Balance End of Year</i>	<u>\$16,180</u>	<u>\$16,180</u>	<u>\$26,385</u>	<u>\$10,205</u>



**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Trust Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$50,000	\$50,000	\$29,523	(\$20,477)
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Law Enforcement Trust:				
Materials and Supplies	<u>50,000</u>	<u>50,000</u>	<u>8,478</u>	<u>41,522</u>
<i>Net Change in Fund Balance</i>	0	0	21,045	21,045
<i>Fund Balance Beginning of Year</i>	<u>518</u>	<u>518</u>	<u>518</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$518</u></u>	<u><u>\$518</u></u>	<u><u>\$21,563</u></u>	<u><u>\$21,045</u></u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Marina Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Licenses and Permits	\$14,000	\$14,000	\$11,725	(\$2,275)
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Marina:				
Contractual Services	14,000	14,000	11,725	2,275
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	3,980	3,980	3,980	0
<i>Fund Balance End of Year</i>	<u>\$3,980</u>	<u>\$3,980</u>	<u>\$3,980</u>	<u>\$0</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Motor Vehicle License Tax Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$45,000	\$45,000	\$38,626	(\$6,374)
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	45,000	45,000	38,626	(6,374)
<b>Other Financing Uses</b>				
Transfers Out	(45,000)	(45,000)	(38,500)	6,500
<i>Net Change in Fund Balance</i>	0	0	126	126
<i>Fund Balance Beginning of Year</i>	67	67	67	0
<i>Fund Balance End of Year</i>	\$67	\$67	\$193	\$126

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Probation Services Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$83,000	\$83,000	\$46,471	(\$36,529)
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System:				
Municipal Probation Services:				
Materials and Supplies	<u>83,000</u>	<u>83,000</u>	<u>41,564</u>	<u>41,436</u>
<i>Net Change in Fund Balance</i>	0	0	4,907	4,907
<i>Fund Balance Beginning of Year</i>	<u>105,541</u>	<u>105,541</u>	<u>105,541</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$105,541</u></u>	<u><u>\$105,541</u></u>	<u><u>\$110,448</u></u>	<u><u>\$4,907</u></u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Pension Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$293,500	\$293,500	\$301,009	\$7,509
Intergovernmental	90,500	90,500	33,962	(56,538)
<i>Total Revenues</i>	<u>384,000</u>	<u>384,000</u>	<u>334,971</u>	<u>(49,029)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	535,487	535,487	509,163	26,324
Contractual Services	7,000	7,000	5,815	1,185
<i>Total Expenditures</i>	<u>542,487</u>	<u>542,487</u>	<u>514,978</u>	<u>27,509</u>
<i>Excess of Revenues Under Expenditures</i>	(158,487)	(158,487)	(180,007)	(21,520)
<b>Other Financing Sources</b>				
Transfers In	25,000	25,000	0	(25,000)
<i>Net Change in Fund Balance</i>	(133,487)	(133,487)	(180,007)	(46,520)
<i>Fund Balance Beginning of Year</i>	195,072	195,072	195,072	0
Prior Year Encumbrances Appropriated	133,487	133,487	133,487	0
<i>Fund Balance End of Year</i>	<u>\$195,072</u>	<u>\$195,072</u>	<u>\$148,552</u>	<u>(\$46,520)</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public Health Nursing Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$45,000	\$45,000	\$42,752	(\$2,248)
Intergovernmental	5,000	5,000	10,826	5,826
<b>Total Revenues</b>	<b>50,000</b>	<b>50,000</b>	<b>53,578</b>	<b>3,578</b>
<b>Expenditures</b>				
Current:				
Public Health Services:				
Public Health Nursing:				
Personal Services	14,478	23,873	23,076	797
Materials and Supplies	36,150	46,755	31,613	15,142
<i>Total Expenditures</i>	<u>50,628</u>	<u>70,628</u>	<u>54,689</u>	<u>15,939</u>
<i>Net Change in Fund Balance</i>	(628)	(20,628)	(1,111)	19,517
<i>Fund Balance Beginning of Year</i>	48,674	48,674	48,674	0
Prior Year Encumbrances Appropriated	628	628	628	0
<i>Fund Balance End of Year</i>	<u><u>\$48,674</u></u>	<u><u>\$28,674</u></u>	<u><u>\$48,191</u></u>	<u><u>\$19,517</u></u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$60,000	\$60,000	\$56,208	(\$3,792)
Interest	5,000	5,000	1,433	(3,567)
<i>Total Revenues</i>	65,000	65,000	57,641	(7,359)
<b>Expenditures</b>				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	14,400	14,400	14,400	0
<i>Excess of Revenues Over Expenditures</i>	50,600	50,600	43,241	(7,359)
<b>Other Financing Uses</b>				
Transfers Out	(50,600)	(50,600)	(44,000)	6,600
<i>Net Change in Fund Balance</i>	0	0	(759)	(759)
<i>Fund Balance Beginning of Year</i>	4,788	4,788	4,788	0
<i>Fund Balance End of Year</i>	<u>\$4,788</u>	<u>\$4,788</u>	<u>\$4,029</u>	<u>(\$759)</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Walnut Beach Fund*  
*For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Walnut Beach:				
Materials and Supplies	7,500	7,500	5,113	2,387
<i>Excess of Revenues Under Expenditures</i>	(7,500)	(7,500)	(5,113)	2,387
<b>Other Financing Sources</b>				
Transfers In	7,500	7,500	7,500	0
<i>Net Change in Fund Balance</i>	0	0	2,387	2,387
<i>Fund Balance Beginning of Year</i>	6,048	6,048	6,048	0
<i>Fund Balance End of Year</i>	<u>\$6,048</u>	<u>\$6,048</u>	<u>\$8,435</u>	<u>\$2,387</u>



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# STATISTICAL SECTION

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## Statistical Section

This part of the City of Ashtabula, Ohio's Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

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<b>Contents</b>	<b>Page(s)</b>
<b>Financial Trends</b> .....	S2-S13
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b> .....	S14-S19
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<b>Debt Capacity</b> .....	S20-S27
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt in the future.	
<b>Economic and Demographic Information</b> .....	S28-S30
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b> .....	S31-S36
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**City of Ashtabula, Ohio**  
*Net Assets By Component*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$19,304,462	\$19,022,629	\$17,985,793	\$17,179,586
Restricted:				
Capital Projects	616,317	917,675	992,414	1,257,245
Debt Service	212,116	141,267	927,528	842,539
Community Development	2,266,481	1,073,682	1,466,762	755,325
Sanitation	883,394	719,258	648,455	743,242
Street Maintenance and Repair	140,771	97,528	138,087	293,245
Other Purposes	791,656	797,701	880,874	912,937
Unrestricted	841,775	1,312,330	1,871,948	2,283,621
<i>Total Governmental Activities Net Assets</i>	<u>25,056,972</u>	<u>24,082,070</u>	<u>24,911,861</u>	<u>24,267,740</u>
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	10,339,668	10,343,268	8,637,769	9,968,685
Unrestricted	1,701,294	2,143,693	3,632,203	1,340,098
<i>Total Business-Type Activities Net Assets</i>	<u>12,040,962</u>	<u>12,486,961</u>	<u>12,269,972</u>	<u>11,308,783</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	29,644,130	29,365,897	26,623,562	27,148,271
Restricted	4,910,735	3,747,111	5,054,120	4,804,533
Unrestricted	2,543,069	3,456,023	5,504,151	3,623,719
<i>Total Primary Government Net Assets</i>	<u>\$37,097,934</u>	<u>\$36,569,031</u>	<u>\$37,181,833</u>	<u>\$35,576,523</u>

2005	2004	2003	2002	2001	2000
\$16,519,641	\$16,072,672	\$14,824,413	\$14,016,961	\$13,777,856	\$13,648,047
768,188	704,115	1,041,588	865,251	1,403,316	823,962
617,568	926,146	776,956	1,609,519	1,234,947	1,092,829
795,158	N/A	N/A	N/A	N/A	N/A
696,513	N/A	N/A	N/A	N/A	N/A
327,342	N/A	N/A	N/A	N/A	N/A
635,520	2,200,932	2,230,814	1,812,974	2,328,379	3,046,617
2,971,359	2,721,642	2,535,254	3,437,987	3,327,649	4,383,893
23,331,289	22,625,507	21,409,025	21,742,692	22,072,147	22,995,348
9,632,357	8,753,780	8,759,633	7,936,963	7,874,120	8,177,824
1,487,653	1,690,631	1,225,137	1,094,561	1,337,358	1,669,377
11,120,010	10,444,411	9,984,770	9,031,524	9,211,478	9,847,201
26,151,998	24,826,452	23,584,046	21,953,924	21,651,976	21,825,871
3,840,289	3,831,193	4,049,358	4,287,744	4,966,642	4,963,408
4,459,012	4,412,273	3,760,391	4,532,548	4,665,007	6,053,270
\$34,451,299	\$33,069,918	\$31,393,795	\$30,774,216	\$31,283,625	\$32,842,549

**City of Ashtabula, Ohio**  
*Changes in Net Assets*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2009	2008	2007	2006
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$265,773	\$175,970	\$209,086	\$197,913
Judicial System	759,859	804,117	773,601	676,782
Security of Persons and Property:				
Police	44,108	88,807	60,398	23,140
Fire	51,658	55,518	53,790	47,862
Public Health Services	174,062	187,267	201,688	196,130
Street Maintenance and Repairs	40,554	15,694	25,485	42,047
Housing and Community Development	295,469	221,622	252,889	133,221
Sanitation Services	1,801,553	1,799,928	1,656,815	1,353,756
Leisure Time Activities	13,830	14,280	14,455	15,392
Subtotal - Charges for Services	<u>3,446,866</u>	<u>3,363,203</u>	<u>3,248,207</u>	<u>2,686,243</u>
Operating Grants and Contributions:				
General Government:				
Legislative and Executive	0	15,251	0	0
Judicial System	87,818	15,687	15,189	0
Security of Persons and Property:				
Police	381,438	49,140	4,110	14,963
Fire	36,438	35,966	0	1,000
Public Health Services	207,053	25,483	34,604	17,677
Street Maintenance and Repairs	94,120	317,571	97,960	99,012
Housing and Community Development	233,330	59,900	86,300	25,946
Sanitation Services	40,000	46,536	43,513	39,000
Leisure Time Activities	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,080,197</u>	<u>565,534</u>	<u>281,676</u>	<u>197,598</u>
Capital Grants and Contributions:				
General Government:				
Legislative and Executive	97,318	139,058	0	633,000
Judicial System	0	34,295	36,140	30,632
Security of Persons and Property:				
Police	0	0	0	664
Fire	0	0	0	28,368
Public Health Services	0	0	0	0
Street Maintenance and Repairs	407,687	0	875,500	402,400
Housing and Community Development	173,444	453,831	840,080	113,343
Sanitation Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>678,449</u>	<u>627,184</u>	<u>1,751,720</u>	<u>1,208,407</u>
<b>Total Governmental Activities Program Revenues</b>	<u>\$5,205,512</u>	<u>\$4,555,921</u>	<u>\$5,281,603</u>	<u>\$4,092,248</u>

2005	2004	2003	2002	2001	2000
\$408,108	\$215,617	\$68,975	\$225,179	\$239,782	\$15,003
632,431	605,898	732,927	732,161	649,760	\$569,670
18,126	73,923	3,967	0	0	61,199
42,679	67,511	0	0	0	0
180,368	148,884	65,937	75,159	59,714	106,715
11,958	3,073	4,188	1,705	4,739	0
127,042	86,289	85,366	171,881	80,320	208,061
1,335,405	1,304,215	1,184,414	1,100,258	1,115,302	992,689
15,837	13,650	13,650	14,375	14,475	23,023
<u>2,771,954</u>	<u>2,519,060</u>	<u>2,159,424</u>	<u>2,320,718</u>	<u>2,164,092</u>	<u>1,976,360</u>
0	0	0	0	0	0
0	0	0	0	0	0
28,038	14,789	125,104	264,793	125,508	200,466
12,081	11,000	42,943	16,195	0	0
4,125	32,504	10,712	8,034	0	0
99,130	106,575	96,616	108,139	456,533	695,556
133,135	461,510	484,623	184,646	45,667	688,844
44,765	74,596	36,781	67,041	40,326	35,044
0	0	0	0	0	0
<u>321,274</u>	<u>700,974</u>	<u>796,779</u>	<u>648,848</u>	<u>668,034</u>	<u>1,619,910</u>
0	0	0	0	500,099	0
0	21,565	28,793	33,600	19,934	9,368
59,040	0	0	0	0	6,344
0	0	8,640	27,000	0	0
814,152	61,089	3,831	0	0	0
1,012,062	0	0	184,271	212,000	256,399
50,000	0	0	0	800	0
0	0	0	0	25,000	0
0	0	0	24,325	0	0
<u>1,935,254</u>	<u>82,654</u>	<u>41,264</u>	<u>269,196</u>	<u>757,833</u>	<u>272,111</u>
<u>\$5,028,482</u>	<u>\$3,302,688</u>	<u>\$2,997,467</u>	<u>\$3,238,762</u>	<u>\$3,589,959</u>	<u>\$3,868,381</u>

**City of Ashtabula, Ohio**  
*Changes in Net Assets (continued)*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2009	2008	2007	2006
<b>Business-Type Activities:</b>				
Charges for Services:				
Wastewater Treatment	\$3,601,213	\$3,871,973	\$3,770,834	\$3,092,660
Capital Grants and Contributions				
Wastewater Treatment	231,298	950,371	470,322	276,649
<i>Total Business-Type Activities Program Revenues</i>	<u>3,832,511</u>	<u>4,822,344</u>	<u>4,241,156</u>	<u>3,369,309</u>
<i>Total Primary Government Program Revenues</i>	<u>\$9,038,023</u>	<u>\$9,378,265</u>	<u>\$9,522,759</u>	<u>\$7,461,557</u>
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government:				
Legislative and Executive	\$3,227,472	\$3,586,747	\$4,135,051	\$3,174,447
Judicial System	1,183,400	1,151,790	1,090,892	1,030,659
Security of Persons and Property:				
Police	3,686,839	3,887,527	3,882,495	3,677,304
Fire	3,021,851	3,047,444	2,987,810	2,936,033
Public Health Services	365,246	370,326	357,245	331,826
Street Maintenance and Repairs	1,922,571	2,231,818	1,986,728	2,015,378
Housing and Community Development	601,846	983,231	486,457	376,820
Sanitation Services	1,928,179	2,004,214	1,839,276	1,861,734
Leisure Time Activities	79,793	106,271	86,083	110,002
Interest and Fiscal Charges	31,026	39,292	56,083	54,634
<i>Total Governmental Activities Expenses</i>	<u>16,048,223</u>	<u>17,408,660</u>	<u>16,908,120</u>	<u>15,568,837</u>
<b>Business-Type Activities</b>				
Wastewater Treatment	4,230,206	4,596,123	3,160,731	3,130,536
<i>Total Business-Type Activities Expenses</i>	<u>4,230,206</u>	<u>4,596,123</u>	<u>3,160,731</u>	<u>3,130,536</u>
<i>Total Primary Government Program Expenses</i>	<u>20,278,429</u>	<u>22,004,783</u>	<u>20,068,851</u>	<u>18,699,373</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(10,842,711)	(12,852,739)	(11,626,517)	(11,476,589)
Business-Type Activities	(397,695)	226,221	1,080,425	238,773
<i>Total Primary Government Net Expense</i>	<u>(\$11,240,406)</u>	<u>(\$12,626,518)</u>	<u>(\$10,546,092)</u>	<u>(\$11,237,816)</u>

2005	2004	2003	2002	2001	2000
\$3,051,895	\$2,879,182	\$2,871,360	\$2,801,467	\$2,587,575	\$2,687,820
523,003	618,318	697,293	360,753	256,900	326,365
3,574,898	3,497,500	3,568,653	3,162,220	2,844,475	3,014,185
\$8,603,380	\$6,800,188	\$6,566,120	\$6,400,982	\$6,434,434	\$6,882,566
\$3,049,175	\$3,025,729	\$3,037,163	\$2,867,586	\$2,744,011	\$2,691,145
977,279	912,233	963,286	964,850	954,289	800,945
3,527,950	3,253,101	3,666,800	3,696,384	3,743,382	3,358,629
2,581,467	2,688,346	2,750,698	2,652,673	2,629,702	2,450,731
306,416	289,136	285,124	260,491	255,630	193,544
3,201,483	1,296,150	1,472,369	2,001,502	1,956,370	1,316,927
680,192	649,653	617,274	512,695	920,839	573,471
1,567,216	1,263,037	1,383,682	1,437,356	1,455,940	1,351,543
90,413	137,588	134,896	185,589	165,605	68,253
68,093	99,458	128,486	195,014	202,381	206,424
16,049,684	13,614,431	14,439,778	14,774,140	15,028,149	13,011,612
3,174,442	2,989,254	3,130,885	3,290,299	3,407,377	3,327,758
3,174,442	2,989,254	3,130,885	3,290,299	3,407,377	3,327,758
19,224,126	16,603,685	17,570,663	18,064,439	18,435,526	16,339,370
(11,021,202)	(10,311,743)	(11,442,311)	(11,535,378)	(11,438,190)	(9,143,231)
400,456	508,246	437,768	(128,079)	(562,902)	(313,573)
(\$10,620,746)	(\$9,803,497)	(\$11,004,543)	(\$11,663,457)	(\$12,001,092)	(\$9,456,804)



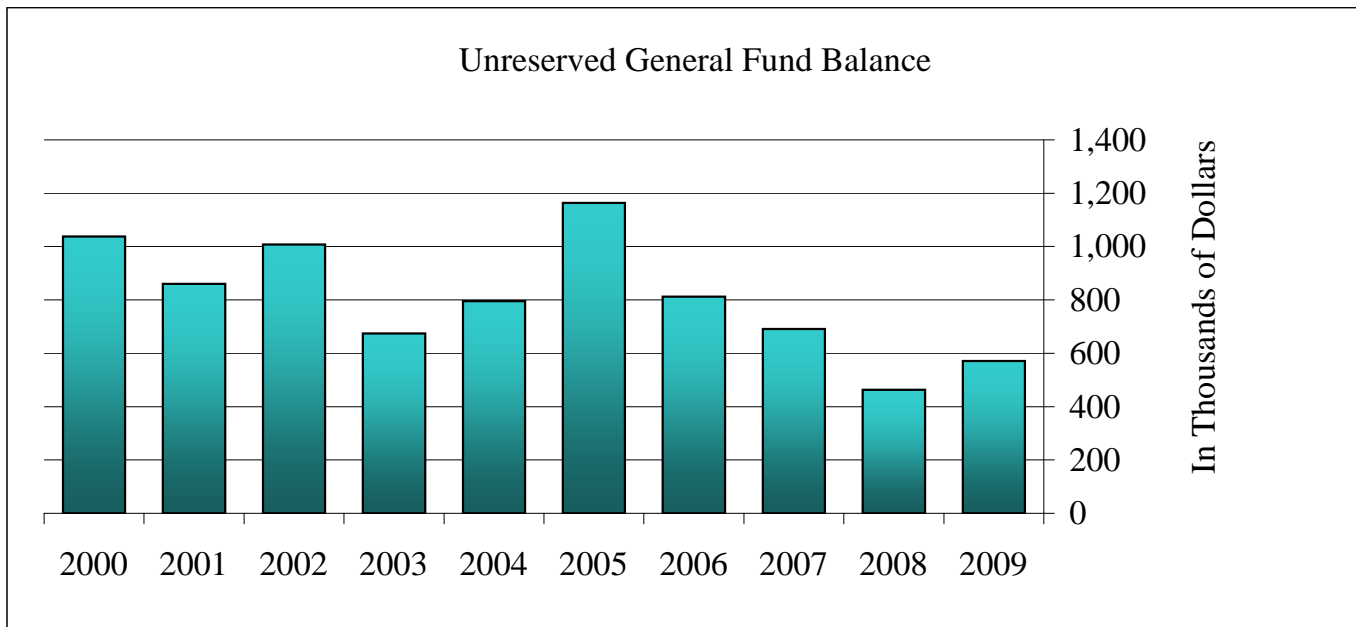
**City of Ashtabula, Ohio**  
*Changes in Net Assets (continued)*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2009	2008	2007	2006
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$1,735,619	\$1,064,331	\$1,062,359	\$1,109,720
Fire and Police Pension	0	588,302	631,644	616,830
Debt Service	0	1,421	346,265	409,341
Capital Outlay	476,191	452,535	486,482	473,334
Income Taxes Levied for:				
General Purposes	5,508,718	6,105,678	6,191,921	5,662,945
Capital Outlay	622,236	667,685	684,045	622,457
Grants and Entitlements not Restricted to				
Specific Programs	3,135,994	2,217,714	2,484,064	2,660,157
Investment Earnings	11,572	152,306	325,184	339,503
Other	250,783	404,117	214,713	268,753
Transfers	76,500	162,820	50,000	50,000
<i>Total Governmental Activities</i>	<u>11,817,613</u>	<u>11,816,909</u>	<u>12,476,677</u>	<u>12,213,040</u>
Business-Type Activities				
Investment Earnings	0	0	84,352	0
Other	28,196	0	0	0
Transfers	(76,500)	(162,820)	(50,000)	(50,000)
<i>Total Business-Type Activities Expenses</i>	<u>(48,304)</u>	<u>(162,820)</u>	<u>34,352</u>	<u>(50,000)</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>11,769,309</u>	<u>11,654,089</u>	<u>12,511,029</u>	<u>12,163,040</u>
<b>Change in Net Assets</b>				
Governmental Activities	974,902	(1,035,830)	850,160	736,451
Business-Type Activities	(445,999)	63,401	1,114,777	188,773
<i>Total Primary Government Change in Net Assets</i>	<u>\$528,903</u>	<u>(\$972,429)</u>	<u>\$1,964,937</u>	<u>\$925,224</u>

2005	2004	2003	2002	2001	2000
\$989,460	\$1,118,036	\$1,131,816	\$1,100,934	\$1,080,441	\$1,021,888
548,288	356,657	529,950	444,167	454,740	443,196
374,170	537,367	458,839	505,826	504,298	501,142
418,575	392,721	407,987	395,293	420,359	391,919
6,034,703	5,537,537	5,270,568	5,206,572	5,034,519	5,365,368
662,464	610,803	589,127	580,967	593,497	613,795
2,741,453	2,608,872	2,828,530	2,555,737	1,647,229	2,705,913
212,687	82,469	128,801	184,076	426,662	541,246
20,327	233,763	241,484	180,476	280,423	283,158
(275,143)	50,000	(515,478)	51,875	72,821	87,000
<u>11,726,984</u>	<u>11,528,225</u>	<u>11,071,624</u>	<u>11,205,923</u>	<u>10,514,989</u>	<u>11,954,625</u>
0	0	0	0	0	0
0	1,395	0	0	0	0
275,143	(50,000)	515,478	(51,875)	(72,821)	(87,000)
<u>275,143</u>	<u>(48,605)</u>	<u>515,478</u>	<u>(51,875)</u>	<u>(72,821)</u>	<u>(87,000)</u>
<u>12,002,127</u>	<u>11,479,620</u>	<u>11,587,102</u>	<u>11,154,048</u>	<u>10,442,168</u>	<u>11,867,625</u>
705,782	1,216,482	(370,687)	(329,455)	(923,201)	2,811,394
675,599	459,641	953,246	(179,954)	(635,723)	(400,573)
<u>\$1,381,381</u>	<u>\$1,676,123</u>	<u>\$582,559</u>	<u>(\$509,409)</u>	<u>(\$1,558,924)</u>	<u>\$2,410,821</u>

**City of Ashtabula, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

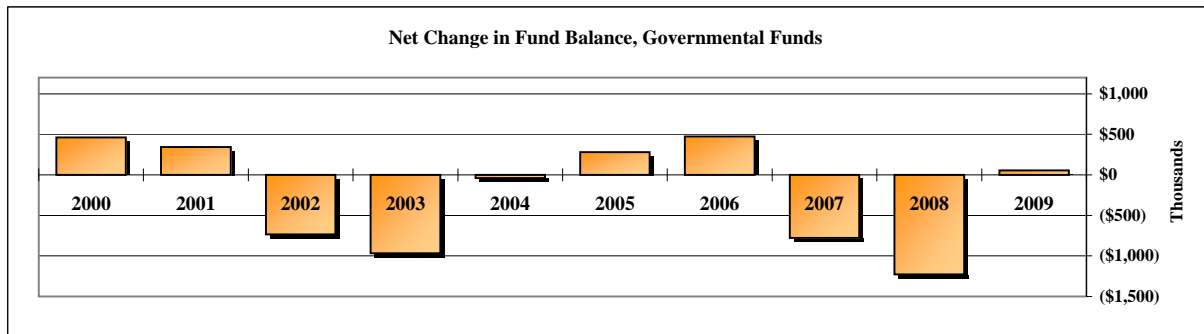
	2009	2008	2007	2006
<b>General Fund</b>				
Reserved	\$25,373	\$55,255	\$66,842	\$73,709
Unreserved	571,410	462,844	690,776	811,664
<b>Total General Fund</b>	<b>596,783</b>	<b>518,099</b>	<b>757,618</b>	<b>885,373</b>
<b>All Other Governmental Funds</b>				
Reserved	978,996	1,015,236	615,157	721,549
Unreserved, Designated	412,000	412,000	412,000	212,000
Unreserved, Undesignated, Reported in:				
Special Revenue funds	592,875	537,689	681,268	1,069,536
Debt Service funds	122,947	36,696	785,817	571,960
Capital Projects funds	(272,569)	(156,801)	345,375	943,790
<b>Total All Other Governmental Funds</b>	<b>1,834,249</b>	<b>1,844,820</b>	<b>2,839,617</b>	<b>3,518,835</b>
<b>Total Governmental Funds</b>	<b>\$2,431,032</b>	<b>\$2,362,919</b>	<b>\$3,597,235</b>	<b>\$4,404,208</b>



2005	2004	2003	2002	2001	2000
\$33,338	\$60,258	\$66,593	\$97,124	\$143,493	\$98,221
1,163,327	795,266	674,111	1,008,123	860,350	1,037,188
1,196,665	855,524	740,704	1,105,247	1,003,843	1,135,409
912,667	786,323	682,950	756,756	1,212,384	751,404
212,000	212,000	212,000	212,000	212,000	0
1,127,787	1,063,429	1,288,284	1,336,378	1,798,754	1,905,558
347,597	590,065	408,641	1,217,065	1,020,925	832,275
115,636	125,109	548,257	228,473	341,304	619,137
2,715,687	2,776,926	3,140,132	3,750,672	4,585,367	4,108,374
\$3,912,352	\$3,632,450	\$3,880,836	\$4,855,919	\$5,589,210	\$5,243,783

**City of Ashtabula, Ohio**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

	2009	2008	2007	2006	2005
<b>Revenues</b>					
Property Taxes	\$2,151,450	\$2,109,613	\$2,480,053	\$2,577,355	\$2,320,850
Municipal Income Taxes	6,254,545	6,757,873	6,775,495	6,445,095	6,532,764
Charges for Services	2,013,439	1,886,125	1,810,849	1,568,521	1,515,901
Licenses and Permits	295,278	328,673	282,135	228,358	178,677
Fines and Forfeitures	838,037	883,633	818,035	726,855	650,045
Intergovernmental	3,344,447	3,870,165	3,684,953	4,155,912	5,008,052
Special Assessments	35,975	37,417	36,476	35,490	56,489
Interest	11,572	152,306	325,184	339,503	212,687
Rentals	152,434	130,090	139,462	136,002	149,115
Other	245,540	459,464	239,657	268,753	223,645
<i>Total Revenues</i>	<u>15,342,717</u>	<u>16,615,359</u>	<u>16,592,299</u>	<u>16,481,844</u>	<u>16,848,225</u>
<b>Expenditures</b>					
Current:					
General Government					
Legislative and Executive	2,610,914	3,015,334	3,047,990	2,914,379	2,653,576
Judicial System	1,021,185	1,036,477	967,152	919,440	858,153
Security of Persons and Property:					
Police	3,338,973	3,628,559	3,622,601	3,448,319	3,292,317
Fire	2,626,619	2,823,288	2,739,876	2,807,075	2,520,738
Public Health Services	347,872	383,486	369,150	324,010	303,789
Street Maintenance and Repairs	1,172,826	1,553,013	1,424,511	1,920,884	1,141,728
Housing and Community Development	556,125	1,179,875	483,606	436,879	1,145,514
Sanitation Services	1,690,724	1,846,737	1,638,743	1,582,296	1,419,457
Leisure Time Activities	38,838	44,637	36,076	40,385	35,203
Capital Outlay	1,953,177	1,557,584	2,547,869	2,398,576	2,266,481
Debt Service:					
Principal Retirement	234,736	861,691	503,837	435,167	906,514
Interest and Fiscal Charges	27,440	78,797	43,237	38,842	72,703
<i>Total Expenditures</i>	<u>15,619,429</u>	<u>18,009,478</u>	<u>17,424,648</u>	<u>17,266,252</u>	<u>16,616,173</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(276,712)</u>	<u>(1,394,119)</u>	<u>(832,349)</u>	<u>(784,408)</u>	<u>232,052</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	3,975	5,400	4,500	6,800	0
General Obligation Bonds Issued	250,000	0	0	0	0
Proceeds of Loan	699	0	0	1,200,000	0
Inception of Capital Lease	0	0	0	0	0
Transfers In	724,200	1,706,720	720,829	813,500	877,986
Transfers Out	(647,700)	(1,543,900)	(670,829)	(763,500)	(827,986)
<i>Total Other Financing Sources (Uses)</i>	<u>331,174</u>	<u>168,220</u>	<u>54,500</u>	<u>1,256,800</u>	<u>50,000</u>
<i>Net Change in Fund Balances</i>	<u><u>\$54,462</u></u>	<u><u>(\$1,225,899)</u></u>	<u><u>(\$777,849)</u></u>	<u><u>\$472,392</u></u>	<u><u>\$282,052</u></u>
Debt Service as a Percentage of Noncapital Expenditures	1.9%	5.8%	3.5%	2.9%	6.8%



2004	2003	2002	2001	2000
\$2,414,271	\$2,504,284	\$2,417,214	\$2,349,312	\$2,354,599
6,067,735	5,872,015	5,969,526	5,819,277	5,991,283
1,486,186	1,218,014	1,185,472	1,150,630	1,054,206
204,762	168,752	173,739	173,059	188,927
577,652	656,719	765,761	669,694	651,581
3,290,131	3,572,612	3,225,243	4,035,772	3,349,156
56,100	22,493	21,613	27,179	19,757
82,469	128,801	184,076	426,662	550,508
117,563	127,279	115,262	138,870	0
233,763	241,484	180,476	483,552	283,158
<u>14,530,632</u>	<u>14,512,453</u>	<u>14,238,382</u>	<u>15,274,007</u>	<u>14,443,175</u>
2,653,009	2,604,032	2,672,685	2,533,191	2,481,183
843,475	850,465	858,364	823,341	721,227
3,257,335	3,504,702	3,565,496	3,589,835	3,201,760
2,509,403	2,469,614	2,448,741	2,453,589	2,408,233
282,206	275,209	247,001	234,922	196,790
1,091,528	1,070,944	1,148,641	1,057,238	1,113,876
645,029	982,658	502,248	902,070	576,470
1,291,793	1,309,650	1,358,517	1,343,669	1,063,289
63,520	68,120	75,684	112,933	103,308
1,437,938	877,867	1,647,616	2,277,423	1,084,132
447,489	1,356,140	447,484	248,777	944,244
103,418	159,274	201,762	178,157	209,974
<u>14,626,143</u>	<u>15,528,675</u>	<u>15,174,239</u>	<u>15,755,145</u>	<u>14,104,486</u>
<u>(95,511)</u>	<u>(1,016,222)</u>	<u>(935,857)</u>	<u>(481,138)</u>	<u>338,689</u>
6,639	0	0	0	30,873
0	0	150,000	750,000	0
0	0	0	0	0
0	0	0	3,690	3,328
641,986	934,881	579,045	799,107	1,595,000
<u>(591,986)</u>	<u>(885,494)</u>	<u>(527,170)</u>	<u>(726,286)</u>	<u>(1,508,000)</u>
<u>56,639</u>	<u>49,387</u>	<u>201,875</u>	<u>826,511</u>	<u>121,201</u>
<u>(\$38,872)</u>	<u>(\$966,835)</u>	<u>(\$733,982)</u>	<u>\$345,373</u>	<u>\$459,890</u>
4.4%	11.5%	5.0%	3.3%	9.7%

**City of Ashtabula, Ohio**  
*Assessed Valuation and Estimated Actual Values of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial		Assessed Value	Estimated Actual Value
2009	\$147,855,920	\$60,329,050	\$594,814,200	\$18,409,090	\$20,919,420
2008	145,229,490	57,272,280	578,576,486	19,626,430	22,302,761
2007	145,005,660	55,991,290	574,277,000	20,032,840	22,764,591
2006	143,492,870	54,692,450	566,243,771	20,029,930	22,761,284
2005	146,829,390	51,818,020	567,564,029	20,403,000	23,185,227
2004	130,673,080	51,290,690	519,896,486	19,956,700	22,678,068
2003	129,384,880	51,654,980	517,256,743	20,640,590	23,455,216
2002	135,524,390	45,600,600	517,499,971	18,870,460	21,443,705
2001	111,252,730	45,461,130	447,753,886	20,506,010	23,302,284
2000	114,094,590	42,235,040	446,656,086	22,207,110	25,235,352

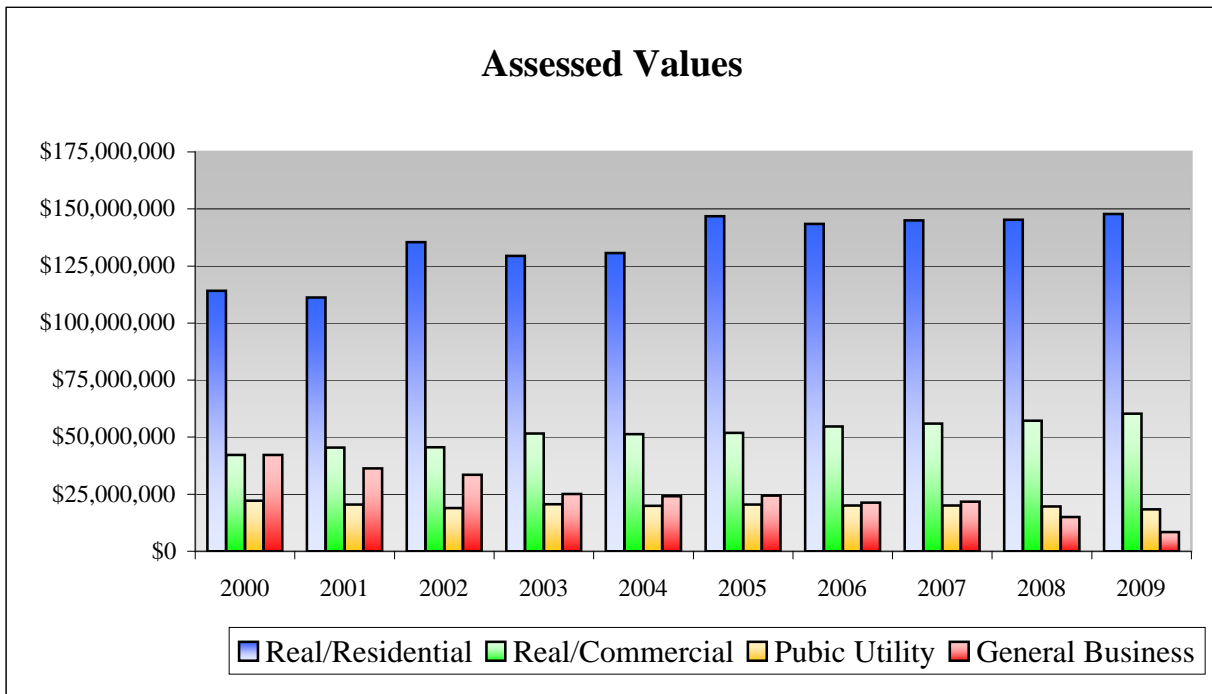
Real property is reassessed every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. In the 2006 collection year, the 10% rollback for commercial/industrial property was eliminated.

**Tangible Personal Property**

General Business		Total			Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$8,407,070	\$67,256,560	\$235,001,130	\$682,990,180	34.41 %	\$9.31
14,967,220	119,737,760	237,095,420	720,617,007	32.90	9.31
21,710,950	173,687,600	242,740,740	770,729,191	31.49	9.31
21,268,940	113,434,347	239,484,190	702,439,402	34.09	11.11
24,410,140	97,640,560	243,460,550	688,389,816	35.37	11.11
24,088,000	96,352,000	226,008,470	638,926,554	35.37	11.11
25,041,220	104,338,417	226,721,670	645,050,375	35.15	12.61
33,520,280	134,081,120	233,515,730	673,024,796	34.70	12.61
36,306,920	145,227,680	213,526,790	616,283,850	34.65	12.31
42,143,680	168,574,720	220,680,420	640,466,158	34.46	12.31





**City of Ashtabula, Ohio**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Six Years (1)*

	2009	2008	2007	2006	2005	2004
<b>Unvoted Millage</b>						
Operating	\$0.2900	\$0.2700	\$0.2700	\$0.2700	\$0.2700	\$0.2700
Fire Pension	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000
Police Pension	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000
<i>Total Unvoted Millage</i>	<u>2.8900</u>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>
<b>Charter Millage</b>						
General Fund	4.1400	4.1400	4.1400	4.1400	4.1400	4.1400
Permanent Improvement Fund	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
Justice Center (Debt Service)	0.0000	0.0000	0.0000	1.8000	1.8000	1.8000
Senior Citizens	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
<i>Total Charter Millage</i>	<u>6.4400</u>	<u>6.4400</u>	<u>6.4400</u>	<u>8.2400</u>	<u>8.2400</u>	<u>8.2400</u>
<b>Total Millage</b>	<u><u>\$9.3100</u></u>	<u><u>\$9.3100</u></u>	<u><u>\$9.3100</u></u>	<u><u>\$11.1100</u></u>	<u><u>\$11.1100</u></u>	<u><u>\$11.1100</u></u>
<b>Overlapping Rates by Taxing District</b>						
Ashtabula Area City Schools						
Residential/Agricultural Real	\$31.4467	\$31.4015	\$32.4762	\$32.5174	\$32.0119	\$33.8579
Commerical/Industrial and Public Utility Real	37.0858	36.9317	37.8697	37.7254	37.1955	38.6735
General Business and Public Utility Personal	52.5000	52.5000	52.5000	52.5000	52.0000	52.0000
Ashtabula County Commissioner						
Residential/Agricultural Real	8.5336	8.5375	8.9779	8.4057	8.4062	9.0059
Commerical/Industrial and Public Utility Real	9.2995	9.2656	9.0000	9.4487	9.4450	9.8485
General Business and Public Utility Personal	11.0200	11.0300	11.0300	11.0300	11.0300	11.0300
Special Taxing Districts (2)						
Residential/Agricultural Real	1.1073	1.1063	1.0790	1.0769	1.0767	1.1040
Commerical/Industrial and Public Utility Real	1.1151	1.1126	1.1229	1.1307	1.1304	1.1393
General Business and Public Utility Personal	1.1800	1.1800	1.1800	1.1800	1.1800	1.1800

Source: Ashtabula County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter millage is consistently applied to all types of property as opposed to the voted levies of the overlapping taxing districts.

Overlapping rates are those of local and county governments that apply to property owners within the City.

- (1) Information prior to 2004 is not available
- (2) Ashtabula Township Park

**City of Ashtabula, Ohio**  
*Property Tax Levies And Collections*  
*Last Ten Years*

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2009	\$2,122,541	\$1,998,790	94.17 %	\$123,751	2,122,541	100.00 %	\$164,557	7.75 %
2008	2,081,658	1,962,658	94.28	118,999	2,081,657	100.00	132,806	6.38
2007	2,479,512	2,340,288	94.38	131,671	2,471,959	99.69	270,956	10.92
2006	2,457,892	2,312,705	94.09	131,820	2,444,525	99.46	245,861	10.00
2005	3,180,491	3,043,735	95.70	143,695	3,187,430	100.22	220,549	6.93
2004	3,233,136	3,014,061	93.22	44,238	3,058,299	94.59	327,785	10.14
2003	2,956,252	2,804,509	94.87	99,856	2,904,365	98.24	273,875	9.26
2002	2,945,300	2,797,393	94.98	150,618	2,948,011	100.09	199,186	6.76
2001	2,961,620	2,790,577	94.22	90,090	2,880,667	97.27	191,148	6.45
2000	2,634,161	2,559,951	97.18	73,816	2,633,767	99.99	106,576	4.05

Source: Ashtabula County, Ohio; County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County does not identify delinquent collections by the year for which the tax was levied.

**City of Ashtabula, Ohio**  
*Principal Real Property Taxpayers*  
2009 and 2000

<i>January 1, 2009</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio American Water	\$12,184,100	5.85 %
Cleveland Electric Illuminating	6,182,560	2.97
Pinney Dock	2,816,160	1.35
Molded Fiber Glass	1,573,250	0.76
Ashtabula Care Center	1,325,670	0.64
Ash-L Associates	1,284,120	0.62
Marion Plaza	1,114,440	0.54
Ashtabula Towers	1,087,240	0.52
Ashtabula Homes II LLC	1,053,031	0.51
Hupco Inc	967,880	0.46
<b>Total</b>	<b>\$29,588,451</b>	<b>14.21 %</b>
<b>Total Assessed Valuation</b>	<b>\$208,184,970</b>	

<i>January 1, 2000</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio American Water	\$7,703,390	4.93 %
Cleveland Electric Illuminating	6,548,180	4.19
Western Reserve Telephone	5,027,910	3.22
Consolidated Rail	4,248,580	2.72
Pinney Dock	2,869,350	1.84
East Ohio Gas	1,783,430	1.14
Molded Fiber Glass	1,715,900	1.10
Ashtabula Towers	1,257,660	0.80
Reliance	959,530	0.61
Iten - Hupco	680,410	0.44
<b>Total</b>	<b>\$32,794,340</b>	<b>20.98 %</b>
<b>Total Assessed Valuation</b>	<b>\$156,329,630</b>	

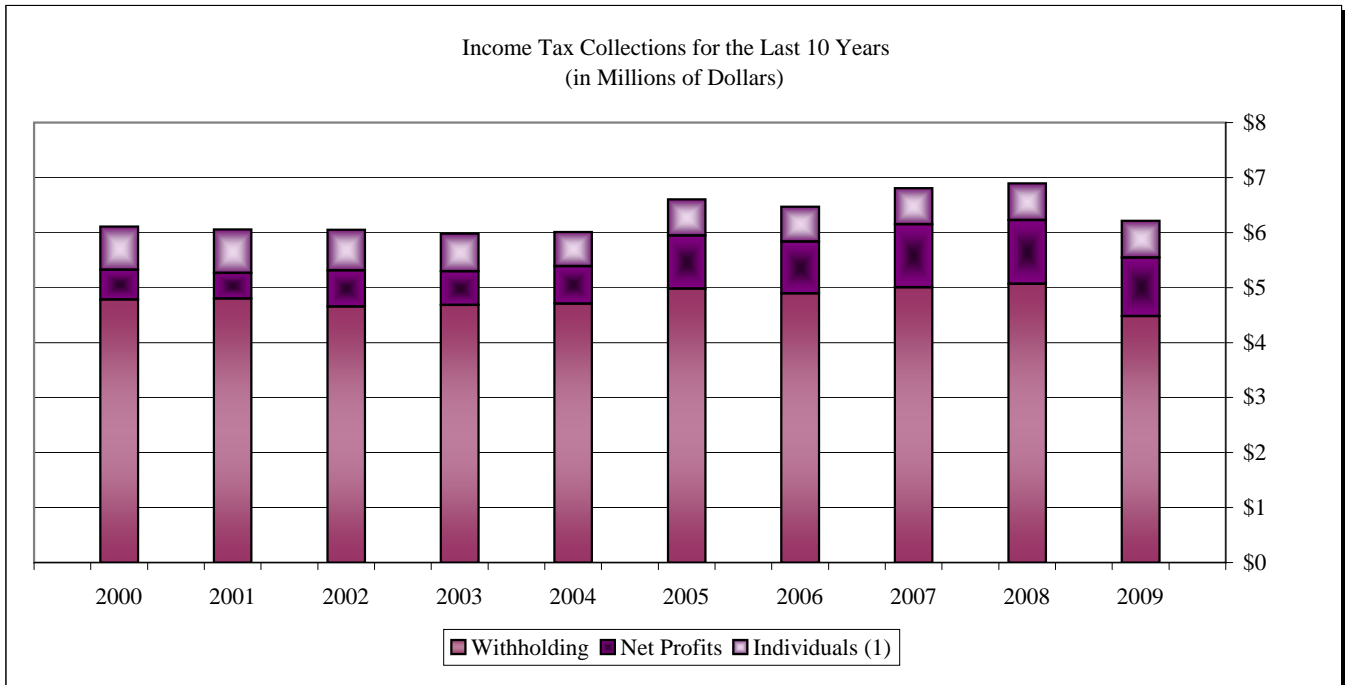
Source: Ashtabula County Auditor

NOTE: Amounts represent assessed values upon which 2009 and 2000 collections were based.

**City of Ashtabula, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Ten Years (cash basis)*

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals (1)	Percentage of Taxes from Individuals
2009	1.80 %	\$6,211,306	\$4,478,610	72.10%	\$1,065,081	17.15%	\$667,615	10.75%
2008	1.80	6,896,798	5,068,292	73.49	1,155,334	16.75	673,172	9.76
2007	1.80	6,809,681	5,001,739	73.45	1,148,864	16.87	659,078	9.68
2006	1.80	6,472,417	4,891,466	75.57	946,007	14.62	634,944	9.81
2005	1.80	6,602,325	4,979,834	75.43	964,776	14.61	657,715	9.96
2004	1.80	6,009,039	4,705,472	78.31	681,872	11.35	621,695	10.35
2003	1.80	5,983,929	4,683,572	78.27	610,621	10.20	689,736	11.53
2002	1.80	6,050,220	4,654,319	76.93	659,986	10.91	735,915	12.16
2001	1.80	6,057,069	4,797,845	79.21	465,020	7.68	794,204	13.11
2000	1.80	6,107,170	4,780,903	78.28	544,764	8.92	781,503	12.80

(1) The City is statutorily prohibited from presenting individual taxpayer information.



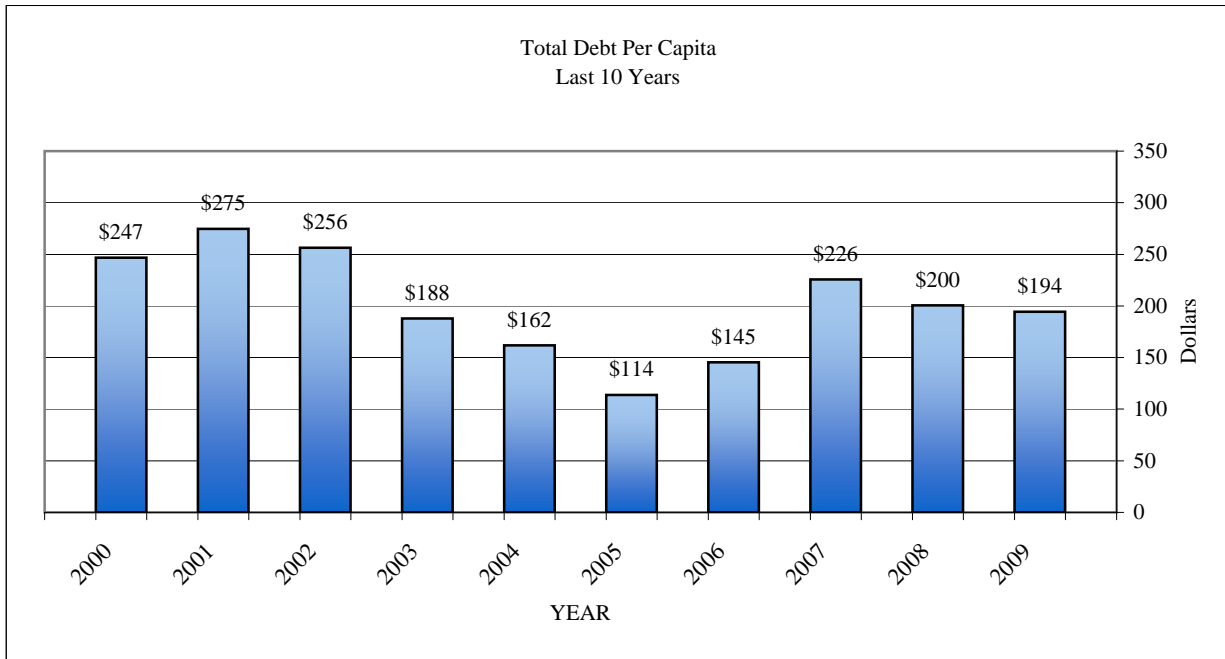
**City of Ashtabula, Ohio**  
*Ratio of Outstanding Debt to  
Total Personal Income and Debt Per Capita  
Last Ten Years*

Year	Governmental Activities				
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Police & Fire Loan	Capital Leases
2009	\$349,827	\$0	\$103,414	\$0	\$0
2008	300,796	23,984	112,498	0	0
2007	1,027,399	47,061	122,281	102,228	0
2006	1,469,266	0	132,063	201,477	0
2005	592,558	10,000	136,954	297,824	637
2004	1,379,848	20,000	151,627	391,354	1,658
2003	1,719,311	30,000	156,518	481,610	4,537
2002	3,046,293	40,000	171,192	472,929	9,021
2001	3,240,000	50,000	180,974	553,080	12,865
2000	2,640,000	60,000	190,756	628,998	12,252

(1) Personal Income and Population Data are located on S28

Business Type Activities

<u>Equalization Basin Loan</u>	<u>OWDA Loans</u>	<u>OPWC Loans</u>	<u>KeyCorp Bonds</u>	<u>Total Debt</u>	<u>Percentage of Personal Income(1)</u>	<u>Per Capita(1)</u>
\$1,854,730	\$905,831	\$658,659	\$200,000	\$4,072,461	1.38 %	\$194
2,078,727	1,024,045	661,989	0	4,202,039	1.43	200
2,293,696	1,137,279	0	0	4,729,944	1.61	226
0	1,245,743	0	0	3,048,549	1.04	145
0	1,349,639	0	0	2,387,612	0.81	114
0	1,449,159	0	0	3,393,646	1.15	162
0	1,544,487	0	0	3,936,463	1.34	188
0	1,635,801	0	0	5,375,236	1.83	256
0	1,723,268	0	0	5,760,187	1.96	275
0	1,807,051	0	0	5,339,057	2.63	247



**City of Ashtabula, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2009	2008	2007	2006
Total Assessed Property Value	<u>\$235,001,130</u>	<u>\$237,095,420</u>	<u>\$242,740,740</u>	<u>\$239,484,190</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$349,827	\$300,796	\$1,027,399	\$1,469,266
Equalization Basin Loan	1,854,730	2,078,727	2,293,696	0
OWDA Loans	905,831	1,024,045	1,137,279	1,245,743
OPWC Loans	762,073	774,487	122,281	132,063
KeyCorp Loan	200,000	0	0	0
Special Assessment Bonds	0	23,984	47,061	0
Total Gross Indebtedness	<u>4,072,461</u>	<u>4,202,039</u>	<u>4,627,716</u>	<u>2,847,072</u>
Less:				
Equalization Basin Loan	(1,854,730)	(2,078,727)	(2,293,696)	0
OWDA Loans	(905,831)	(1,024,045)	(1,137,279)	(1,245,743)
OPWC Loans	(762,073)	(774,487)	(122,281)	(132,063)
KeyCorp Loan	(200,000)	0	0	0
Special Assessment Bonds	0	(23,984)	(47,061)	0
General Obligation Bond Retirement Fund Balance	<u>(122,947)</u>	<u>(36,696)</u>	<u>(785,817)</u>	<u>(571,960)</u>
Total Net Debt Applicable to Debt Limit	<u>226,880</u>	<u>264,100</u>	<u>241,582</u>	<u>897,306</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>24,675,119</u>	<u>24,895,019</u>	<u>25,487,778</u>	<u>25,145,840</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$24,448,239</u>	<u>\$24,630,919</u>	<u>\$25,246,196</u>	<u>\$24,248,534</u>
Legal Debt Margin as a Percentage of the Debt Limit	99.08%	98.94%	99.05%	96.43%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$12,925,062</u>	<u>\$13,040,248</u>	<u>\$13,350,741</u>	<u>\$13,171,630</u>
Total Gross Indebtedness	4,072,461	4,202,039	4,627,716	2,847,072
Less:				
Equalization Basin Loan	(1,854,730)	(2,078,727)	(2,293,696)	0
OWDA Loans	(905,831)	(1,024,045)	(1,137,279)	(1,245,743)
OPWC Loans	(762,073)	(774,487)	(122,281)	(132,063)
KeyCorp Loan	(200,000)	0	0	0
Special Assessment Bonds	0	(23,984)	(47,061)	0
General Obligation Bond Retirement Fund Balance	<u>(122,947)</u>	<u>(36,696)</u>	<u>(785,817)</u>	<u>(571,960)</u>
Net Debt Within 5 ½ % Limitations	<u>226,880</u>	<u>264,100</u>	<u>241,582</u>	<u>897,306</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$12,698,182</u>	<u>\$12,776,148</u>	<u>\$13,109,159</u>	<u>\$12,274,324</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	98.24%	97.97%	98.19%	93.19%

Source: City Financial Records

\* These numbers are based on the Net Debt. This reflects only debt that is supported through real estate value.

2005	2004	2003	2002	2001	2000
<u>\$243,460,550</u>	<u>\$226,008,470</u>	<u>\$226,721,670</u>	<u>\$233,515,730</u>	<u>\$213,526,790</u>	<u>\$220,680,420</u>
\$592,558	\$1,379,848	\$1,719,311	\$3,046,293	\$3,240,000	\$2,640,000
0	0	0	0	0	0
1,349,639	1,449,159	1,544,487	1,635,801	1,723,268	1,807,051
136,954	151,627	156,518	171,192	180,974	190,756
0	0	0	0	0	0
10,000	20,000	30,000	40,000	50,000	60,000
<u>2,089,151</u>	<u>3,000,634</u>	<u>3,450,316</u>	<u>4,893,286</u>	<u>5,194,242</u>	<u>4,697,807</u>
0	0	0	0	0	0
(1,349,639)	(1,449,159)	(1,544,487)	(1,635,801)	(1,723,268)	(1,807,051)
(136,954)	(151,627)	(156,518)	(171,192)	(180,974)	(190,756)
0	0	0	0	0	0
(10,000)	(20,000)	(30,000)	(40,000)	(50,000)	(60,000)
<u>(347,597)</u>	<u>(590,065)</u>	<u>(408,641)</u>	<u>(1,217,065)</u>	<u>(1,020,925)</u>	<u>(832,275)</u>
<u>244,961</u>	<u>789,783</u>	<u>1,310,670</u>	<u>1,829,228</u>	<u>2,219,075</u>	<u>1,807,725</u>
<u>25,563,358</u>	<u>23,730,889</u>	<u>23,805,775</u>	<u>24,519,152</u>	<u>22,420,313</u>	<u>23,171,444</u>
<u>\$25,318,397</u>	<u>\$22,941,106</u>	<u>\$22,495,105</u>	<u>\$22,689,924</u>	<u>\$20,201,238</u>	<u>\$21,363,719</u>
99.04%	96.67%	94.49%	92.54%	90.10%	92.20%
<u>\$13,390,330</u>	<u>\$12,430,466</u>	<u>\$12,469,692</u>	<u>\$12,843,365</u>	<u>\$11,743,973</u>	<u>\$12,137,423</u>
2,089,151	3,000,634	3,450,316	4,893,286	5,194,242	4,697,807
0	0	0	0	0	0
(1,349,639)	(1,449,159)	(1,544,487)	(1,635,801)	(1,723,268)	(1,807,051)
(136,954)	(151,627)	(156,518)	(171,192)	(180,974)	(190,756)
0	0	0	0	0	0
(10,000)	(20,000)	(30,000)	(40,000)	(50,000)	(60,000)
<u>(347,597)</u>	<u>(590,065)</u>	<u>(408,641)</u>	<u>(1,217,065)</u>	<u>(1,020,925)</u>	<u>(832,275)</u>
<u>244,961</u>	<u>789,783</u>	<u>1,310,670</u>	<u>1,829,228</u>	<u>2,219,075</u>	<u>1,807,725</u>
<u>\$13,145,369</u>	<u>\$11,640,683</u>	<u>\$11,159,022</u>	<u>\$11,014,137</u>	<u>\$9,524,898</u>	<u>\$10,329,698</u>
98.17%	93.65%	89.49%	85.76%	81.10%	85.11%



**City of Ashtabula, Ohio**  
*Ratio of General Obligation Bonded Debt to Estimated Actual  
Value and Bonded Debt Per Capita  
Last Ten Years*

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt</u>	<u>Ratio of Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Bonded Debt Per Capital</u>
2009	20,962	a	\$682,990,180	\$349,827	0.05 %	\$16.69
2008	20,962	a	720,617,006	300,796	0.04	14.35
2007	20,962	a	770,729,191	1,027,399	0.13	49.01
2006	20,962	a	702,439,402	1,469,266	0.21	70.09
2005	20,962	a	688,390,189	592,558	0.09	28.27
2004	20,962	a	638,926,554	1,379,848	0.22	65.83
2003	20,962	a	645,336,090	1,719,311	0.27	82.02
2002	20,962	a	674,310,511	3,046,293	0.45	145.32
2001	20,962	a	616,283,850	3,240,000	0.53	154.57
2000	21,630	b	640,466,158	2,640,000	0.41	122.05

Sources:

- (1) U. S. Bureau of Census, Census of Population.  
(a) 2000 Federal Census  
(b) Ohio Data Users Center, Sub-county population estimate

- (2) Ashtabula County Auditor

**City of Ashtabula, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2009*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Ashtabula
<b>Direct - City of Ashtabula</b>			
General Obligation Bonds	\$349,827	100.00%	\$349,827
OPWC Loans	<u>103,414</u>	100.00%	<u>103,414</u>
<i>Total Direct Debt</i>	<u>453,241</u> *		<u>453,241</u>
<b>Overlapping</b>			
Ashtabula Area City School District			
General Obligation Bonds	38,678,699	53.40%	20,654,425
Ashtabula County			
General Obligation Bonds	<u>3,512,886</u>	13.30%	<u>467,214</u>
<i>Total Overlapping Debt</i>	<u>42,191,585</u>		<u>21,121,639</u>
<b>Total</b>	<u><u>\$42,644,826</u></u>		<u><u>\$21,574,880</u></u>

Source: Ashtabula County, Ohio; County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.  
The debt outstanding includes general obligation bonds.

\* All direct debt is backed by the 1.8 percent income tax and all real estate tax collected.

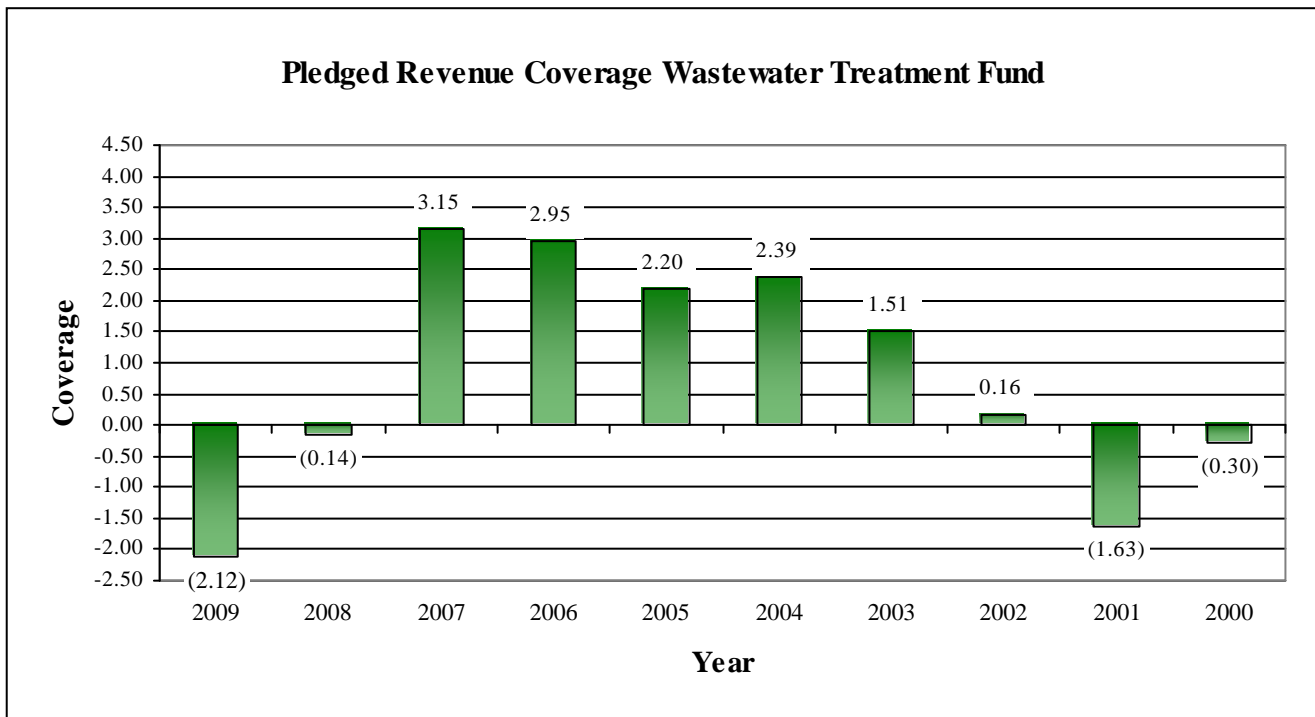
**City of Ashtabula, Ohio**  
*Pledged Revenue Coverage Wastewater Treatment Fund*  
*Last Ten Years*

	2009	2008	2007	2006
<b>Wastewater Treatment Fund</b>				
Operating Revenues (1)	\$3,629,409	\$3,871,973	\$3,855,186	\$3,092,660
Less: Operating Expenses (2)	<u>3,559,397</u>	<u>3,935,680</u>	<u>2,527,057</u>	<u>2,617,005</u>
<b>Net Available Revenue</b>	<u>70,012</u>	<u>(63,707)</u>	<u>1,328,129</u>	<u>475,655</u>
<b>Debt Service</b>				
Principal	417,211	328,203	314,769	103,896
Interest	<u>139,706</u>	<u>143,422</u>	<u>106,981</u>	<u>57,592</u>
<b>Total Debt Service</b>	<u>556,917</u>	<u>471,625</u>	<u>421,750</u>	<u>161,488</u>
<b>Coverage</b>	0.13	(0.14)	3.15	2.95

(1) Revenues include interest, in accordance with the debt agreements.

(2) Operating expenses do not include depreciation.

Source: Ashtabula City Auditor's office

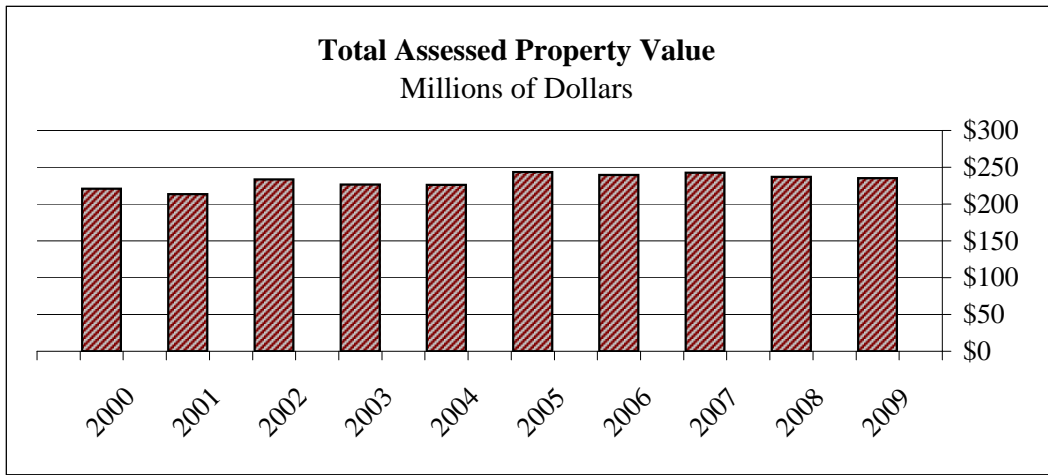


2005	2004	2003	2002	2001	2000
\$3,051,895	\$2,880,449	\$2,871,360	\$2,801,467	\$2,587,575	\$2,687,820
<u>2,696,070</u>	<u>2,493,765</u>	<u>2,628,308</u>	<u>2,774,960</u>	<u>2,850,199</u>	<u>2,736,821</u>
<u>355,825</u>	<u>386,684</u>	<u>243,052</u>	<u>26,507</u>	<u>(262,624)</u>	<u>(49,001)</u>
99,520	95,328	91,314	87,467	83,783	80,254
<u>61,968</u>	<u>66,160</u>	<u>70,174</u>	<u>74,021</u>	<u>77,705</u>	<u>81,234</u>
<u>161,488</u>	<u>161,488</u>	<u>161,488</u>	<u>161,488</u>	<u>161,488</u>	<u>161,488</u>
2.20	2.39	1.51	0.16	(1.63)	(0.30)

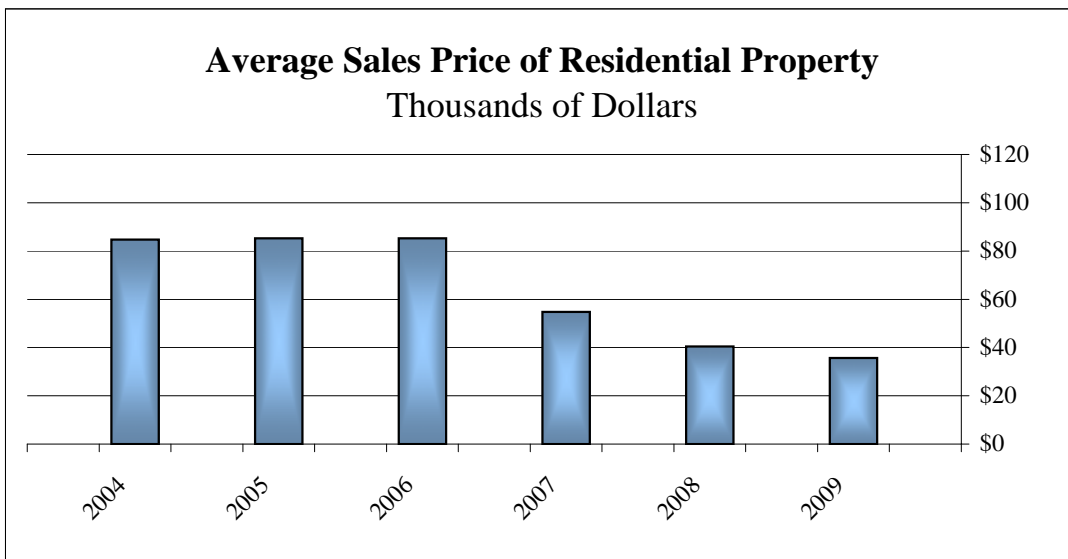
**City of Ashtabula, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2009	20,962	\$294,180,708	\$14,034	\$27,354	34.9
2008	20,962	294,180,708	14,034	27,354	34.9
2007	20,962	294,180,708	14,034	27,354	34.9
2006	20,962	294,180,708	14,034	27,354	34.9
2005	20,962	294,180,708	14,034	27,354	34.9
2004	20,962	294,180,708	14,034	27,354	34.9
2003	20,962	294,180,708	14,034	27,354	34.9
2002	20,962	294,180,708	14,034	27,354	34.9
2001	20,962	294,180,708	14,034	27,354	34.9
2000	20,962	294,180,708	14,034	27,354	34.9

- (1) Source: U. S. Census
  - (a) Years 2000 through 2009 - 2000 Federal Census
  - (b) Year 1999 - 1990 Federal Census
- (2) Computation of per capita personal income multiplied by population
- (3) Ohio Bureau of Employment Services
- (4) Northeast Ohio Multiple Listing Service for Zipcode 44004 (which includes portions of surrounding townships).
- (5) Source: Ashtabula County Auditor



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment	Ashtabula County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (5)
10.4	4,463	14.2%	\$35,630	\$235,001,130
10.4	4,701	8.0	40,484	237,095,420
10.4	4,662	7.0	54,772	242,740,740
10.4	4,686	7.0	85,300	239,484,190
10.4	4,743	7.3	85,200	243,460,550
10.4	5,057	7.3	84,775	226,008,470
10.4	5,170	8.1	n/a	226,721,670
10.4	5,252	8.1	n/a	233,515,730
10.4	5,270	7.2	n/a	213,526,790
10.4	5,364	5.5	n/a	220,680,420



**City of Ashtabula, Ohio**  
Principal Employers  
Current Year and Nine Years Ago (1)

<b>2009</b>		
Employer	Nature of Activity	Employees
Ashtabula County Medical Center	Medical Center	1,051
Ashtabula Area City Schools	Public Education	858
Molded Fiber Glass	Manufacturing - composites	447
Kent State University - Ashtabula Campus	Public Education/College	254
CHS - Lake Erie	Nursing Home	252
Tri-County Business	Staffing Agency	198
City of Ashtabula	Municipal Government	192
Country Club Retirement Center	Nursing Home/Assisted Living	147
Plasticolors	Manufacturing - pigments	139
Community Care Ambulance	Emergency Services	133
Total		<u>3,671</u>
Total Employment within the City		<u>n/a</u>

<b>2000</b>		
Employer	Nature of Activity	Employees
Molded Fiber Glass	Manufacturing - composites	1,262
Ashtabula County Medical Center	Medical Center	1,116
Ashtabula Area City Schools	Public Education	882
CHS - Lake Erie	Nursing Home	284
Ashtabula Rubber Company	Manufacturing - rubber components	281
Zehrco Plastics	Injection molding	263
Country Club Retirement Center	Nursing Home/Assisted Living	261
Carington Park	Nursing Home	258
City of Ashtabula	Municipal Government	236
Kent State University - Ashtabula Campus	Public Education/College	234
Total		<u>5,077</u>
Total Employment within the City		<u>n/a</u>

Source: Number of employees obtained from the W2's filed with our Tax Department

(1) Information prior to 2000 is not available

n/a - Information not available

**City of Ashtabula, Ohio**  
*Full-Time Equivalent City Government Employees by Function/Program*  
*Last Eight Years (1)*

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002
General Government								
Legislative and Executive								
Council	8	8	8	8	8	8	8	8
Administration	2	4	3	3	2	2	2	2
Auditor	6	7	7	7	6	6	7	7
Treasurer	1	1	1	1	1	1	1	1
Income Tax	2	3	3	3	3	3	3	3
Solicitor	4	4	4	4	4	4	4	4
Motor Maintenance	2	3	3	3	1	3	3	3
Engineering	2	3	3	3	3	3	3	3
Civil Service	1	1	1	1	1	1	1	1
Lands and Buildings	2	3	3	3	6	6	6	6
Systems Analyst	1	1	1	1	1	1	1	1
Judicial System								
Municipal Court	14	13	13	14	12	12	12	13
Probation	5	4	4	4	4	4	4	4
Security of Persons and Property								
Police	29	32	32	31	33	34	35	37
Police - Civilian	5	9	9	9	5	6	9	10
Fire	25	26	27	25	25	26	26	26
Fire - Civilian	1	1	1	1	1	1	1	1
Public Health Services								
Food Service	1	1	1	1	1	1	1	1
Nursing	5	6	4	4	4	4	4	4
Street Maintenance and Repair								
Public Works	20	22	22	23	20	21	21	22
Housing and Community Development								
Code Enforcement	2	2	2	2	2	2	2	2
CDBG	2	1	2	1	2	2	2	2
Sanitation Services								
Sanitation	15	16	15	16	14	14	14	15
Leisure Time Activities								
Walnut Beach	0	0	0	0	0	9	10	9
Business Type Activity								
Wastewater Treatment	13	14	14	13	13	16	16	18
Totals:	<u>168</u>	<u>185</u>	<u>183</u>	<u>181</u>	<u>172</u>	<u>190</u>	<u>196</u>	<u>203</u>

(1) Information prior to 2002 not available.

**Source:** City of Ashtabula, Ohio Payroll

**Method:** Using 1.0 for each employee. All numbers are based on an average for the year, rounded to the nearest whole number.



**City of Ashtabula, Ohio**  
*Operating Indicators by Function/Program*  
*Last Six Years (1)*

Function/Program	2009	2008	2007	2006	2005	2004
<b>General Government</b>						
<b>Legislative and Executive</b>						
<i>Council &amp; Clerk</i>						
Number of Ordinances Passed	153	150	161	192	103	112
Number of Resolutions Passed	29	47	18	16	15	28
<i>Auditor</i>						
Number of checks/ vouchers issued	2,998	3,445	5,248	4,312	4,653	3,627
Amount of checks written	\$9,167,900	\$12,843,481	\$15,497,472	\$20,919,912	\$20,422,342	\$19,055,341
Number of Budget Adjustments issued	na	na	269	248	222	187
Agency Ratings - Standard & Poors	A-	A-	A-	A-	A-	A-
Agency Ratings - Moody's Financial Services	BBA	BBA	BBA	BAA	BAA	BAA
Health Insurance Costs vs General Fund Expenditures %	11.40%	14.50%	13.60%	13.99%	13.32%	13.05%
General Fund Receipts	\$9,564,894	\$10,304,586	\$10,239,837	\$10,028,364	\$9,981,777	\$9,245,696
General Fund Expenditures	\$9,350,341	\$10,057,413	\$10,015,243	\$9,536,404	\$8,906,539	\$8,802,912
General Fund Cash Balances	\$251,607	\$373,660	\$627,580	\$657,980	\$708,153	\$354,738
<i>Treasurer</i>						
Number of Pay-Ins issued	1,733	1,679	1,441	1,574	1,488	1,484
Interest earnings for fiscal year (cash basis)	\$10,888	\$146,010	\$394,355	\$339,503	\$212,687	\$82,469
<i>Income Tax Department</i>						
Number of Individual Returns	6,598	6,775	7,262	8,495	8,677	8,626
Number of Business Returns	1,296	1,396	1,484	1,347	1,381	1,410
Number of business withholding accounts	725	780	735	833	799	816
Amount of Penalties and Interest Collected	\$33,760	\$44,068	\$35,513	\$30,913	\$28,684	\$29,750
Annual number of Corporate withholding forms processed	6,819	9,120	9,371	9,440	9,201	8,812
Annual number of balance due statements forms processed	795	676	749	777	676	885
Annual number of estimated payment forms processed	848	844	905	856	922	797
Annual number of reconciliations of withholdings processed	51	19	57	41	389	315
<i>Engineering Department Indicators</i>						
Construction Permits Issued	263	291	385	374	311	383
Estimated Value of Construction	\$3,150,828	\$14,004,261	\$3,372,076	\$11,444,149	\$4,898,765	\$8,347,191
Number of permits issued	968	702	817	727	631	979
Amount of Revenue generated from permits	\$298,149	\$144,385	\$325,886	\$341,215	\$128,302	\$454,917
Number of Planning Commission meetings	7	7	2	8	8	6
Number of Administrative/Zoning Board meetings	2	3	1	1	2	5
<i>Civil Service</i>						
Number of police entry tests administered	0	0	1	0	0	1
Number of fire entry tests administered	1	1	1	1	0	1
Number of police promotional tests administered	0	0	2	0	2	0
Number of fire promotional tests administered	0	0	0	0	4	0
Number of hires of Police Officers from certified lists	2	0	7	2	1	0
Number of hires of Fire/Medics from certified lists	0	0	1	2	0	0
Number of promotions from police certified lists	9	0	2	7	11	13
Number of promotions from fire certified lists	2	0	0	6	4	1
<b>Judicial System</b>						
<i>Municipal Court</i>						
Number of Civil Cases	1,336	1,502	1,588	1,519	1,334	1,409
Number of Criminal cases	7,410	9,265	10,062	9,564	6,740	5,916
<i>Probation</i>						
Community Diversion participants	263	402	143	676	667	745
Community Diversion service hours	4,447	5,732	5,815	4,205	3,962	9,429

(continued)

**City of Ashtabula, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Six Years (1)*

Function/Program	2009	2008	2007	2006	2005	2004
<b>Security of Persons &amp; Property</b>						
<i>Police</i>						
Total Calls for Services	20,229	22,485	24,593	21,184	n/a	n/a
Number of traffic citations issued	2,053	2,213	2,875	1,936	1,500	n/a
Number of parking citations issued	163	209	836	360	114	n/a
Number of criminal arrests	1,146	1,454	1,718	1,212	1,234	n/a
Operating Motor Vehicle Under the Influence (OMVI) Arrests	131	121	120	61	58	n/a
Adult Driving Under Suspension (DUS) Arrests	375	405	549	356	242	n/a
Prisoners	735	1,002	972	781	705	n/a
Prisoner meal costs	\$22,998	\$49,696	\$41,066	\$46,271	\$36,499	\$29,193
Motor Vehicle Accidents	426	640	668	476	550	n/a
Fatalities from Motor Vehicle Accidents	3	1	5	0	2	0
Gasoline costs of fleet	\$61,353	\$91,813	\$67,932	\$87,882	\$93,171	\$94,120
<i>Fire</i>						
EMS/Medical Calls (Mutual Aid, Non Transport)	868	925	875	852	844	878
Fire Calls	668	916	800	141	150	125
Fire Fatalities	0	2	1	0	1	0
Fires with Loss	28	43	35	31	40	37
Fires with Losses exceeding \$10K	13	14	11	10	16	20
Fire Losses \$	\$421,530	\$3,539,727	\$451,670	\$515,600	\$2,365,150	\$998,450
Fire Investigations	27	20	34	34	37	40
Number of times Mutual Aid given to Fire and EMS	23	44	26	20	38	22
Departmental Training Hours	4,310	4,676	4,552	5,787	5,202	5,304
<b>Public Health &amp; Welfare</b>						
Health Department						
Certificates Filed						
Number of Births	518	526	602	576	636	541
Number of Deaths	274	274	281	287	338	341
Certificates Issued						
Number of Births	2,451	2,642	3,203	3,015	2,816	2,780
Number of Deaths	1,049	1,118	1,235	1,226	1,540	1,542
Burial Permits Issued	407	381	399	416	500	491
Receipts from Certificates Issued	\$73,898	\$71,440	\$84,321	\$81,827	\$74,910	\$66,303
Number of Health Inspections						
Food Service Operations, Licensed/Number of Inspections	91/207	97/247	86/182	99/240	101/243	103/245
Food Establishments, Licensed/Number of Inspections	47/66	43/81	44/68	44/81	45/85	46/78
Vending Operations, Licensed/Number of Inspections	14/13	14/14	15/12	19/17	23/21	22/23
Marinas, Licensed/Number of Inspections	10/10	10/10	16/10	10/11	10/10	10/11
Manufactured Home Parks, Licensed/Number of Inspections	3/6	3/6	3/3	3/10	3/6	3/6
Campgrounds, Licensed/Number of Inspections	4/4	4/4	4/4	4/7	4/4	4/5
Swimming Pools and Spas, Licensed/Number of Inspections	6/10	6/11	6/12	6/17	6/12	6/17

(continued)

**City of Ashtabula, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Six Years (1)*

Function/Program	2009	2008	2007	2006	2005	2004
<b>Street Maintenance and Repair</b>						
Guardrail Repair (hours)	53	68	129	123	87	176
Paint Striping (hours)	513	508	510	493	512	518
Street Sweeper (hours)	2,047	2,018	2,313	2,240	2,279	2,400
Cold Patch (hours)	4,026	4,208	4,085	4,160	4,113	3,978
Snow & Ice Removal regular hours	12,231	12,562	11,768	11,520	11,431	12,311
Snow & Ice Removal overtime hours	703	987	823	880	913	953
Sewer and Sanitary calls for service	1,151	1,063	949	963	946	1,012
After hours Sewer Calls (hours)	387	433	413	416	425	457
Sewer Crew (hours)	2,695	2,800	2,908	2,880	2,764	2,899
Sewer jet, Vac-all, other services (hours)	1,437	1,700	1,483	1,440	1,456	1,503
Landscaping Stump-Chipper service (hours)	359	480	410	413	385	395
Leaf collection (hours)	4,227	4,833	4,819	4,800	4,768	4,854
Holiday lights setup (hours)	80	80	80	40	40	40
Equipment repair/body shop (hours)	4,300	5,200	5,200	5,200	4,160	5,200
Sign department (hours)	1,200	1,400	1,500	1,036	1,058	1,113
Tons of snow melting salt purchased (Jan-Dec)	1,112	3,549	3,792	2,490	3,726	3,252
Cost of salt purchased	\$70,960	\$125,698	\$134,588	\$84,069	\$127,411	\$116,567
<b>Housing and Community Development (2)</b>						
<b>Community Development Block Grant</b>						
Grant amounts received	\$1,154,000	N/S	\$45,834	\$536,000	\$151,000	\$659,000
<b>Code Enforcement</b>						
Number of rental inspections performed	903	1,345	2,178	480	360	360
Number of exterior inspections	1,550	258	1,403	n/a	700	673
Code Enforcement fees collected	\$150,418	\$171,554	\$158,144	\$98,950	\$44,352	\$50,636
<b>Sanitation (3)</b>						
Residential trash pickup rate (billed every 2 months)	\$15.00	\$15.00	\$15.00	\$15.00	\$12.00	\$13.00
Refuse disposal per year (in tons)	13,060	13,610	13,937	12,565	12,106	11,901
Refuse disposal costs per year	\$546,000	\$516,000	\$540,000	\$435,814	\$378,744	\$328,931
Annual recycling tonnage (excluding leaf, and compost items)	482	480	480	476	476	414
Percentage of waste recycled	3.60%	3.80%	3.80%	3.65%	3.79%	3.36%
Revenue generated from sale of recyclables	\$5,874	\$9,000	\$15,595	\$5,233	\$6,736	\$3,895
<b>Leisure Time Activities</b>						
<b>Recreation</b>						
<b>Wastewater Treatment</b>						
Sewer Rates per unit of water used (1 unit equals 750 gallons)	\$2.61	\$2.61	\$2.45	\$2.45	\$2.40	\$2.40
Total flow of wastewater treatment plant (Billions of Gallons)	1.644	1.977	1.713	1.998	2.540	2.262
Average daily flow (Millions of gallons per day)	4.530	5.420	4.693	5.550	6.990	6.170
Tons of dry sludge removed	504.84	493.95	510.56	558.24	612.07	421.34

- (1) Information prior to 2004 is not available  
(2) No response from department (N/S)  
(3) Fuel charge added to rate in 2009

**City of Ashtabula, Ohio**  
*Capital Assets Statistics by Function/Program*  
*Last Six Years (1)*

Function/Program	2009	2008	2007	2006	2005	2004
<b>General Government</b>						
Square Footage Occupied	95,943	95,943	95,943	95,943	95,943	95,943
Administrative Vehicles	3	2	4	8	6	6
Inspection Vehicles	0	2	6	4	4	3
Municipal Court Vehicles	2	2	2	3	2	2
Lands & Buildings Vehicles	3	4	4	4	4	3
<b>Police</b>						
Stations	1	1	1	1	1	1
Square Footage of Building	14,491	14,491	14,491	14,491	14,491	14,491
Vehicles	32	40	33	35	44	44
<b>Fire</b>						
Stations	1	1	1	1	1	1
Square Footage of Building	11,560	11,560	11,560	11,560	11,560	11,560
Vehicles	10	8	8	8	7	7
<b>Street Maintenance and Repairs</b>						
Square Footage of Building	25,050	25,050	25,050	25,050	25,050	25,050
Streets (miles)	97	97	97	97	97	97
Bridges	6	6	6	6	6	6
Traffic Signals	53	54	54	54	50	49
Service Vehicles	29	29	28	30	25	25
<b>Sanitation Services</b>						
Square Footage of Building	9,100	9,100	9,100	9,100	9,100	9,100
Vehicles	9	10	10	10	12	12
<b>Leisure Time Activities</b>						
Number of Parks	8	8	8	8	8	8
Number of Tennis Courts	2	2	2	2	2	2
Number of Skateboarding Areas	1	1	1	1	1	1
Number of Baseball Diamonds	4	4	4	4	4	4
Number of Soccer Fields	1	1	1	1	1	1
Square Footage of Walnut Beach Building	6,420	6,420	6,420	6,420	6,420	6,420
Square Footage of Smith Field Building	336	336	336	336	336	336
Square Footage of Massucci Building	1,944	1,944	1,944	1,944	1,944	n/a
<b>Wastewater Treatment</b>						
Square Footage of Building	22,344	22,344	22,344	22,344	22,344	22,344
Sanitary Sewers (miles)	91.94	91.94	91.94	91.94	91.94	91.94
Storm Sewers (miles)	76.18	76.18	76.18	76.18	76.18	76.18
Vehicles	5	5	6	11	11	11

(1) Information prior to 2004 is not available

**City of Ashtabula, Ohio**  
*Sewer and Trash Statistics*  
*Last Six Years*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Sewer Billings (1)	\$2,480,146	\$2,556,295	\$2,668,957	\$2,669,897	\$2,792,173	\$2,337,816
Residential Trash Billings	<u>1,260,253</u>	<u>1,221,559</u>	<u>1,303,059</u>	<u>1,073,613</u>	<u>1,056,604</u>	<u>927,328</u>
Total Utility Billing	<u>\$3,740,399</u>	<u>\$3,777,854</u>	<u>\$3,972,016</u>	<u>\$3,743,510</u>	<u>\$3,848,777</u>	<u>\$3,265,144</u>
Sewer Collections (1)(2)	\$1,929,394	\$2,215,775	\$2,119,014	\$1,989,073	\$2,065,929	\$1,858,330
Residential Trash Collections(2)	<u>1,043,043</u>	<u>995,106</u>	<u>980,335</u>	<u>786,512</u>	<u>833,520</u>	<u>776,486</u>
Total Utility Billing Collections	<u>\$2,972,437</u>	<u>\$3,210,881</u>	<u>\$3,099,349</u>	<u>\$2,775,585</u>	<u>\$2,899,449</u>	<u>\$2,634,816</u>
Percentage Collected from Billings Before Outstanding Balances are Certified to Property Taxes	79.47%	84.99%	78.03%	74.14%	75.33%	80.70%
Delinquent Sewer Collections(2)	\$520,624	\$469,732	\$498,674	\$458,820	\$487,751	\$408,230
Delinquent Residential Trash Collections(2)	<u>314,738</u>	<u>261,030</u>	<u>257,230</u>	<u>239,361</u>	<u>244,018</u>	<u>207,596</u>
Total Delinquent Collections	<u>\$835,362</u>	<u>\$730,762</u>	<u>\$755,904</u>	<u>\$698,181</u>	<u>\$731,769</u>	<u>\$615,826</u>

Source: City of Ashtabula Auditor's Office

(1) Amount billed does not include \$2.00 per month service charge or any other special project fees assessed.

(2) Delinquent collections are one year behind, ie: delinquent amounts collected in 2009 were for the amounts certified in 2008.

Address comments  
and suggestions to:

Michael A. Zullo, CPA  
City Auditor  
4717 Main Avenue  
Ashtabula, Ohio 44004  
(440) 992-7107  
Email: michaelz@suite224.net

Special acknowledgement and appreciation goes out to those who helped in the implementation of this GABS compliant report. Thank you to Mary Taylor, Auditor of State, and her staff for their guidance. To Lori Mackey, City Treasurer and Karen Jury, Deputy Auditor whose work on this CAFR ties it all together.

## **Special Thanks To**

The Auditor's Staff

Karen S. Jury, Deputy Auditor  
Marcena Pizzi  
Carolyn Sheldon  
Traci Vanek-Simons  
Peter Tulino

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# **City of Ashtabula, Ohio**

**Single Audit Reports  
For the Year Ended December 31, 2009**

# City of Ashtabula, Ohio

For The Year Ended December 31, 2009

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**Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards***

Members of the City Council  
City of Ashtabula, Ohio

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashtabula, Ohio (the “City”) as of and for the year ended December 31, 2009, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 30, 2010, wherein we noted that the City adopted *GASB Statement Nos. 52, 53, 55, 56, 57, and 58*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over financial reporting: 2009-1. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Members of the City Council  
City of Ashtabula, Ohio

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and as item 2009-2.

We noted certain matters that we have reported to management of the City in a separate letter dated June 30, 2010.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, City Council, others within the entity, the Auditor of State's Office, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Cini & Panichi, Inc.*

Cleveland, Ohio  
June 30, 2010

**Report on Compliance with Requirements Applicable to  
Each Major Program and on Internal Control over  
Compliance in Accordance with OMB Circular A-133**

Members of the City Council  
City of Ashtabula, Ohio

**Compliance**

We have audited the compliance of the City of Ashtabula, Ohio (the “City”) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City’s management. Our responsibility is to express an opinion on the City’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City’s compliance with those requirements.

As described in item 2009-3 in the accompanying schedule of findings, the City did not comply with requirements regarding Reporting that are applicable to its Highway Planning and Construction Grant. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2009.

**Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City’s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on

Members of the City Council  
City of Ashtabula, Ohio

internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 30, 2010, which contained unqualified opinions on those financial statements, wherein we noted the City adopted *GASB Statement Nos. 52, 53, 55, 56, 57, and 58*. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, City Council, others within the entity, the Auditor of State's Office, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Cini & Parichi, Inc.*

Cleveland, Ohio  
June 30, 2010

# City of Ashtabula, Ohio

## Schedule of Expenditures of Federal Awards

**For The Year Ended December 31, 2009**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Catalog of Federal Domestic Assistance No.</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Cash Disbursements</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Passed Through Ohio Department of Development:			
Community Development Block Grants	14.228	A-C-06-085-1	\$ 19,513
Community Development Block Grants	14.228	A-F-07-085-1	39,981
Community Development Block Grants	14.228	A-F-08-085-1	<u>42,975</u>
			102,469
Passed through Ashtabula County:			
ARRA – Neighborhood Stabilization Program	14.256	N/A	<u>16,753</u>
Total U.S. Department of Housing and Urban Development			<u>119,222</u>
<u>U.S. Environmental Protection Agency:</u>			
Brownfield Assessment & Cleanup Cooperative Agreements	66.818	N/A	<u>207,651</u>
<u>U.S. Department of Federal Highway Administration:</u>			
Passed Through Ohio Department of Transportation:			
Highway Planning and Construction	20.205	N/A	<u>407,687</u>
Total Federal Assistance			\$ <u><u>734,560</u></u>

The accompanying notes are an integral part of this schedule

# City of Ashtabula, Ohio

## Notes to the Schedule of Expenditures of Federal Awards

### For The Year Ended December 31, 2009

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#### **Note 1: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Ashtabula, Ohio, and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### **Note 2: Matching Requirements**

Certain federal programs require that the City contribute non-federal (matching) funds to support the federally funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the accompanying Schedule.

N/A – Not applicable

# City of Ashtabula, Ohio

## Schedule of Findings OMB Circular A-133, Section .505

**December 31, 2009**

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### 1. Summary of Auditors' Results

(d)(I)(I)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	Yes
(d)(I)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material noncompliance reported at the financial statement level (GAGAS)?	Yes
(d)(I)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(I) (iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(I) (v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(I)(vi)	Are there any reportable findings under Section .510?	Yes
(d)(I)(vii)	Major Programs	Highway Planning and Construction, CFDA #20.205
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	No

### 2. Findings Related to the Financial Statements Required To Be Reported In Accordance With GAGAS

#### 2009-1 Financial Reporting – Significant Deficiency

Sound financial reporting is the responsibility of the City Auditor and the City Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following audit adjustments were made to the financial statements and, where applicable, to the City's accounting records:

1. An adjustment was made to record intergovernmental revenues and capital outlay expenditures for monies paid by the Ohio Department of Transportation directly to vendors related to the Highway Planning and Construction Grant during 2009.

The lack of controls over financial reporting can result in errors that may go undetected and decreases the reliability of financial data at year-end.

# City of Ashtabula, Ohio

## Schedule of Findings

### OMB Circular A-133, Section .505 (continued)

**December 31, 2009**

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2009-2 Material Noncompliance

Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. At December 31, 2009, the City had expenditures plus encumbrances in excess of final appropriations as follows:

	<u>Final</u> <u>Appropriations</u>	<u>Actual</u> <u>Expenditures</u>	<u>Excess</u>
Permanent Improvement Fund:			
Capital Outlay	\$ 1,463,746	\$ 1,792,564	\$ 328,818

### 3. Findings for Federal Awards

2009-3 Reporting – Material Noncompliance

The following audit adjustments were made to the financial statements and the schedule of expenditures of federal awards:

1. An adjustment was made to record intergovernmental revenues and capital outlay expenditures for monies paid by the Ohio Department of Transportation directly to vendors related to the Highway Planning and Construction Grant during 2009.

The lack of controls over financial reporting can result in errors that may go undetected and decreases the reliability of financial data at year-end.



# City of Ashtabula, Ohio

## Schedule of Prior Audit Findings OMB Circular A-133, Section .315(b)

**December 31, 2009**

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Finding No.	Finding Summary	Fully Corrected	Explanation
2008-1	Ohio Revised Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.	Improvement noted.	The City had purchase orders dated after the invoice again in 2009. However, improvement was noted so item will be included in Management Letter for 2009.
2008-2	Ohio Revised Code Section 735.07 states that when it becomes necessary, in the prosecution of any work or improvement under contract, to make alterations or modifications in the contract, that such alterations or modifications shall only be made upon the order of the director, but such order shall be of no effect until the price to be paid for the work and material or both, under the altered or modified contract, has been agreed upon in writing and signed by the director on behalf of the City and the contractor, and approved by the board of control.	Yes	No instances of change orders approved after the work was performed during 2009.
2008-3	Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. At December 31, 2008, the City had expenditures plus encumbrances in excess of final appropriations.	No	The City had noncompliance again in this area for 2009.

# City of Ashtabula, Ohio

## Schedule of Prior Audit Findings

OMB Circular A-133, Section .315(b) (continued)

**December 31, 2009**

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2008-4	Per our review of receipts and disbursements relating to the water and sanitary sewer grant #A-W-07-085-1, it was noted that the City did not disburse funds to a balance of less than \$5,000 within 15 days of receipt of funds which were drawn down.	Yes	No noncompliance noted for 2009.
2008-5	Per review of correspondence from the Ohio Department of Development, it was noted that funds had been placed on hold due to the failure to provide a Status Report for grant #A-F-05-085-1.	Yes	No noncompliance noted for 2009.

## City of Ashtabula

4717 Main Avenue  
Ashtabula, Ohio 44004  
(440) 992-7107

### Response to Findings Associated with Audit Conducted in Accordance with *Government Auditing Standards* For the Year Ended December 31, 2009

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2009-1	The City will record all ODOT receipts and disbursements paid directly to contractors on the cash basis and will properly increase estimated resources and appropriations.	07/01/10	Michael Zullo, City Auditor
2009-2	The City will record all ODOT receipts and disbursements paid directly to contractors on the cash basis and will properly increase estimated resources and appropriations.	07/01/10	Michael Zullo, City Auditor
2009-3	The City will record all ODOT receipts and disbursements paid directly to contractors on the cash basis and will properly increase estimated resources and appropriations.	07/01/10	Michael Zullo, City Auditor



**Mary Taylor, CPA**  
Auditor of State

**CITY OF ASHTABULA**

**ASHTABULA COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 21, 2010**